

Yellow Springs Exempted Village
School District
Five Year Forecast
FY 2020-21



Presented to the Community of Yellow Springs

By: Tammy S. Emrick,
Treasurer/CFO

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

INTRODUCTION

The School District

The District operates under a locally-elected board consisting of five members elected at-large for staggered four year terms. The legislative power of the District is vested in the Board of Education. The District currently operates four public buildings, including one high school/middle school (grades 7-8), one K-6 elementary, one transportation/maintenance facility, and the central office building.

Nature of the Forecast

The financial forecast presents, to the best of our knowledge and belief, the expected revenues, expenditures and operating balance of the General Fund. Accordingly, the forecast reflects our judgment of the expected conditions and its expected course of action as of November 12, 2020, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

YELLOW SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
GREENE COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2019, AND 2020 ACTUAL;
 FORECASTED FISCAL YEARS ENDING JUNE 30, 2021 THROUGH 2025

Line Number	Fiscal Year 2018 Actual	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Average Annual Percent of Change	Fiscal Year 2021 Forecasted	Fiscal Year 2022 Forecasted	Fiscal Year 2023 Forecasted	Fiscal Year 2024 Forecasted	Fiscal Year 2025 Forecasted
Revenues									
1.010	4,176,023	4,152,283	4,321,481	1.75%	4,357,943	4,526,935	4,545,267	4,653,267	4,653,267
1.020	125,853	119,526	129,328	1.59%	129,400	126,243	126,122	125,431	125,431
1.030	1,636,407	1,711,830	1,634,528	0.05%	1,477,877	1,477,877	1,477,877	1,612,877	1,612,877
1.035	1,403,652	1,416,939	1,274,741	-4.54%	1,276,500	1,276,500	1,276,500	1,276,500	1,276,500
1.040	24,147	27,618	27,530	7.03%	27,532	27,531	27,531	27,531	27,531
1.045	0	0	0	#DIV/0!	0	0	0	0	0
1.050	621,635	622,804	610,843	-0.87%	615,000	654,006	652,289	665,017	665,017
1.060	1,407,259	1,270,676	1,514,531	4.74%	1,420,000	1,393,500	1,393,500	1,393,500	1,393,500
1.070	<u>9,394,976</u>	<u>9,321,676</u>	<u>9,512,982</u>	0.64%	<u>9,304,252</u>	<u>9,482,592</u>	<u>9,499,086</u>	<u>9,754,123</u>	<u>9,754,123</u>
Other Financing Sources									
2.010	0	0	0	#DIV/0!	0	0	0	0	0
2.020	0	0	0	#DIV/0!	0	0	0	0	0
2.040	0	0	0	#DIV/0!	0	0	0	0	0
2.050	0	13,051	136,000	#DIV/0!	51,700	35,000	35,000	35,000	35,000
2.060	61,038	43,800	107,325	58.40%	44,960	44,960	44,960	44,960	44,960
2.070	<u>61,038</u>	<u>56,851</u>	<u>243,325</u>	160.57%	<u>96,660</u>	<u>79,960</u>	<u>79,960</u>	<u>79,960</u>	<u>79,960</u>
2.080	<u>9,456,014</u>	<u>9,378,527</u>	<u>9,756,307</u>	1.60%	<u>9,400,912</u>	<u>9,562,552</u>	<u>9,579,046</u>	<u>9,834,083</u>	<u>9,834,083</u>
Expenditures									
3.010	5,243,695	5,464,887	5,440,525	1.89%	5,645,635	5,838,354	6,006,105	6,184,038	6,372,309
3.020	1,993,306	2,109,553	2,189,012	4.80%	2,302,180	2,428,642	2,564,208	2,724,114	2,882,357
3.030	1,120,351	1,537,845	1,468,727	16.39%	1,685,607	1,753,032	1,823,154	1,896,080	1,971,924
3.040	156,806	171,995	169,496	4.12%	310,137	319,441	329,024	338,895	349,062
3.050	91,109	205,408	103,978	38.04%	116,750	120,253	123,860	127,576	127,576
3.060	0	0	0	#DIV/0!	0	0	0	0	0
	0	0	0	#DIV/0!	0	0	0	0	0
4.010	75,900	75,900	75,900		75,900	0	0	0	0
4.020	0	0	0	#DIV/0!	0	0	0	0	0
4.030	0	0	0	#DIV/0!	0	0	0	0	0
4.040	0	0	0	#DIV/0!	0	0	0	0	0
4.050	0	0	0	#DIV/0!	0	0	0	0	0
4.055	0	0	0	#DIV/0!	0	0	0	0	0
4.060	968	642	2,119	98.19%	2,200	0	0	0	0
4.300	100,564	144,250	121,571	13.86%	159,933	124,358	159,358	124,358	159,358
4.500	<u>8,782,699</u>	<u>9,710,480</u>	<u>9,571,328</u>	4.57%	<u>10,298,342</u>	<u>10,584,080</u>	<u>11,005,709</u>	<u>11,395,061</u>	<u>11,862,586</u>
Other Financing Uses									
5.010	23,439	27	130,956	24241.17%	15,000	10,000	10,000	10,000	10,000
5.020	10,640	136,000	51,700	558.11%	35,000	35,000	35,000	35,000	35,000
5.030	0	650	0	#DIV/0!	0	0	0	0	0
5.040	<u>34,079</u>	<u>136,677</u>	<u>182,656</u>	167.35%	<u>50,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
5.050	<u>8,816,778</u>	<u>9,847,157</u>	<u>9,753,984</u>	5.37%	<u>10,348,342</u>	<u>10,629,080</u>	<u>11,050,709</u>	<u>11,440,061</u>	<u>11,907,586</u>
<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>									
6.010	639,236	(468,630)	2,323	-136.90%	(947,430)	(1,066,528)	(1,471,663)	(1,605,978)	(2,073,503)
<i>Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies</i>									
7.010	<u>4,844,368</u>	<u>5,483,604</u>	<u>5,014,974</u>	2.32%	<u>5,017,297</u>	<u>4,069,867</u>	<u>3,003,340</u>	<u>1,531,676</u>	<u>(74,301)</u>
7.020	<u>5,483,604</u>	<u>5,014,974</u>	<u>5,017,297</u>	-4.25%	<u>4,069,867</u>	<u>3,003,340</u>	<u>1,531,676</u>	<u>(74,301)</u>	<u>(2,147,804)</u>

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FORECASTED FISCAL YEARS ENDING JUNE 30, 2021 THROUGH 2025

Line Number	Fiscal Year 2018 Actual	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Average Annual Percent of Change	Fiscal Year 2021 Forecasted	Fiscal Year 2022 Forecasted	Fiscal Year 2023 Forecasted	Fiscal Year 2024 Forecasted	Fiscal Year 2025 Forecasted
8.010	15,000	134,569	159,299	407.75%	159,299	120,000	120,000	120,000	120,000
<i>Reservation of Fund Balance</i>									
9.010	0	0	0	#DIV/0!	0	0	0	0	0
9.020	0	0	0	#DIV/0!	0	0	0	0	0
9.030	354,081	354,081	354,081		354,081	354,081	354,081	354,081	354,081
9.040	0	0	0	#DIV/0!	0	0	0	0	0
9.045	0	0	0	#DIV/0!	0	0	0	0	0
9.050	0	0	0	#DIV/0!	0	0	0	0	0
9.060	0	0	0	#DIV/0!	0	0	0	0	0
9.070	0	0	0	#DIV/0!	0	0	0	0	0
9.080	354,081	354,081	0	-50.00%	354,081	354,081	354,081	354,081	354,081
<i>Fund Balance June 30 for Certification of Appropriations</i>									
10.010	5,468,604	4,880,405	4,857,998	-5.61%	3,556,487	2,529,259	1,057,595	(548,382)	(2,621,885)
<i>Revenue from Replacement/Renewal Levies</i>									
11.010	0	0	0	#DIV/0!	0	0	0	0	0
11.020	0	0	0	#DIV/0!	0	0	0	0	0
11.300	0	0	0	#DIV/0!	0	0	0	0	0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
12.010	5,468,604	4,880,405	4,857,998	-5.61%	3,556,487	2,529,259	1,057,595	(548,382)	(2,621,885)
<i>Revenue from New Levies</i>									
13.010	0	0	0	#DIV/0!	0	0	0	0	0
13.020	0	0	0	#DIV/0!	0	0	0	0	0
13.030	0	0	0	#DIV/0!	0	0	0	0	0
14.010	0	0	0	#DIV/0!	0	0	0	0	0
15.010	5,468,604	4,880,405	4,857,998	-5.61%	3,556,487	2,529,259	1,057,595	(548,382)	(2,621,885)

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
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REVENUES

Line 1.010 - General Property Taxes (Real Estate): The Yellow Springs Exempted Village School District lies in Greene County (99.6%) and Clark County (.04%). Property values are established each year by the County Auditor based on new construction and applicable reappraisals or updates. Every three years the County Auditor either reappraises properties in the county or performs an update.

The last update took place in calendar year 2017 for tax collections in calendar year 2018. The next reappraisal will be in calendar year 2020 with collections beginning in calendar year 2021

It is anticipated that the valuations for CY 2020 will increase by 8.23%.

The district's estimates for assessed property valuation (excluding tax exempt property) are as follows:

Tax Year				
2010	\$141,960,950	Actual		
2011	\$136,782,590	Actual	-3.65%	Update Year
2012	\$136,137,100	Actual	-0.47%	
2013	\$127,868,260	Actual	-6.07%	
2014	\$129,775,880	Actual	1.49%	Reappraisal Year
2015	\$130,384,180	Actual	0.47%	
2016	\$131,706,240	Actual	1.01%	
2017	\$139,896,450	Actual	6.22%	Update Year
2018	\$141,477,640	Actual	1.13%	
2019	\$144,091,920	Actual	1.85%	
2020	\$163,261,920	Estimated	13.30%	Reappraisal Year
2021	\$164,321,920	Estimated	0.65%	
2022	\$165,381,920	Estimated	0.65%	
2023	\$174,396,920	Estimated	5.45%	Update Year
2024	\$175,530,500	Estimated	0.65%	
2025	\$176,671,448	Estimated	0.65%	
2026	\$180,204,877	Estimated	2.00%	Reappraisal Year
2027	\$181,376,209	Estimated	0.65%	

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FY 2018-20 Actual, FY 2021-25 Forecasted
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On May 5, 2015 voters of the district renewed a \$1,060,000 million 10 year emergency levy. Emergency levies are a fixed dollar levy, so no matter what changes take place in property valuation the levy will bring in the same dollar amount. A new 5-year Emergency Levy for \$915,000 was approved November 6, 2012 and was renewed May 2, 2017 for eight years in order to align it with the renewal of the \$1.06 million emergency levy.

Property Taxes project an increase of \$36,462 for FY 2021 and show modest increases in future years.

Actuals

<u>Fiscal Year</u>	<u>Percentage growth in collections</u>
FY 2017-18	3.21%
FY 2018-19	(.57)%
FY 2019-20	4.07%

Estimated

<u>Fiscal Year</u>	<u>Percentage growth in collections</u>
FY 2020-21	.84%
FY 2021-22	3.88%
FY 2022-23	.40%
FY 2023-24	2.38%
FY 2024-25	.00%

The 2019 total effective tax rate of 36.76 mills includes 4.30 inside, 15.70 outside continuing operating, 13.65 emergency, 2.10 bond, and 1.01 permanent improvement mills. Listed below is the total effective millage for tax year 2019 for the surrounding school districts. Yellow Springs School District is 6 out of 14 districts.

Yellow Springs Exempted Village School District
Five-Year Forecast
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2019 Property Tax Effective Millage Rates

<u>School District</u>	<u>Total Effective Millage</u>
1. BEAVERCREEK CSD	47.32
2. SUGARCREEK LSD	41.67
3. GREENON LSD (MAD RIVER GREEN)	41.54
4. SPRINGFIELD CSD	38.76
5. CLARK-SHAWNEE LSD	37.58
6. YELLOW SPRINGS EVSD*	36.76
7. XENIA COMMUNITY CSD*	35.65
8. TECUMSEH LSD	35.07
9. FAIRBORN CSD*	34.85
10. NORTHWESTERN LSD (CLARK CO.)*	34.84
11. NORTHEASTERN LSD (CLARK CO.)*	32.22
12. CEDAR CLIFF LSD*	30.55
13. SOUTHEASTERN LSD*	26.23
14. GREENEVIEW LSD*	25.56

*These school districts also have an income tax on residents ranging from ½% to 1 ½%

Line 1.020 - Tangible Personal Property Tax : Tangible Personal Property Taxes (TPP) were the taxes levied on the inventory of businesses, telecommunications, and railroad property in Ohio. House Bill 66 eliminated the TPP tax in an effort to encourage businesses to stay in or come to Ohio. The elimination of this tax resulted in losses to school district revenue. Districts with a large percentage of businesses in their locale face significant revenue losses while more residential/agricultural districts may not be as adversely affected. House Bill 66 phased out the TPP tax (2006 through 2009) but provided “in lieu of” payments from the State to soften the revenue losses and give districts time to plan for replacement of these revenues. In lieu of payments were to be phased down through 2018, however the current biennial budget dramatically accelerated the phase-out. The projected Personal Property Taxes are based on the remaining Public Utility valuations.

Line 1.030 - Income Taxes : In 2001, the district passed a continuing 1% income tax with collections starting in calendar year 2002. The '18-19 collections were over 4.6% higher than the previous year due to a one time collection so decreased by 4.51% the next year. FY 21 is projected to have a 9.58% decrease due to the pandemic and then remain at that level for FY 2022 and FY 2023 and then rebound to prior levels.

Yellow Springs Exempted Village School District
Five-Year Forecast
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Line 1.035 & Line 1.040 - Unrestricted and Restricted Grants-in-Aid:

Unrestricted Grants-in-Aid (Line 1.035) is around 14.7% of the funds received for general operating purposes.

The District is experiencing slightly declining enrollment. FY 2020 and FY 2021 funding levels are based on the level of funding in FY 2019, however, due to the pandemic the District was cut by \$142,198 (10.03%) for FY 2020 and FY 2021. Since school districts are funded on a two year cycle, the next "biennium" will be for FY 2022 and FY 2023. No increases are projected throughout this forecast.

	FY 2020	FY 2021	DIFFERENCE
Foundation Formula Funding	\$1,235,145	\$1,235,145	\$0
Student Wellness and Success Funding	82,003	76,292	(\$5,711)
Enrollment Growth Supplement Funding	2,715	4,029	\$1,314
Preschool Special Education Funding	19,052	19,012	(\$40)
Special Education Transportation Funding	5,740	5,740	\$0
			\$0
	<u>\$1,344,656</u>	<u>\$1,340,220</u>	<u>(\$4,436)</u>

These payments are received twice per month and are largely driven by student enrollment and the District's wealth in terms of income per capita and valuation per pupil.

Beginning with FY 2013 this category also includes the new flow of casino revenue money.

The following chart illustrates the District's historical changes in enrollment (head count). Enrollment has been trending lower due to lower kindergarten class sizes the past several years. This information was obtained from the School foundation payment reports.

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
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Historic VS Projected Enrollment

Fiscal Year	District Enrollment	Open Enrollment	Total	Increase / (Decrease)	Percentage Change
2017	579.5	198.8	778.3		
2018	577.8	180.1	757.8	-20.47	-2.63%
2019	556.7	163.9	720.6	-37.21	-4.91%
2020	536.7	184.9	721.6	1.02	0.14%
2021	540.8	183.6	724.4	2.78	0.39%
2022	540.8	183.6	724.4	0.00	0.00%
2023	540.8	183.6	724.4	0.00	0.00%

Restricted Grants-in-Aid (Line 1.040) accounts for the revenues received from the state that have some type of restricted use. Career technical education funding and Economic disadvantaged funds make up this line item.

Line 1.050 - Property Tax Allocation: Homestead and Rollback include the original 10% property tax rollback enacted in 1971, for all real property owners. In 1979, an additional 2.5% rollback was enacted for owner occupied homes. Homeowners 65 years old or permanently disabled may be eligible for the homestead exemption based on income class. The homestead exemption was put into effect in 1976. The 2.5% rollback and the homestead exemption are not automatic and must be applied for through the County Auditor's office. The tax credits are reimbursed to the School District through the State of Ohio and are calculated by applying the appropriate percentages to residential and commercial property tax collections.

Starting July 2, 2007, the Homestead Exemption is now available to **all** Ohio homeowners, **regardless of income**, who are either age 65 or older or permanently and totally disabled. These changes are the result of House Bill 119, which was signed into law by the Governor on June 30, 2007.

Previously, eligibility for the Homestead Exemption was restricted through income tests that disqualified most senior citizens. For example, during the 2006 tax year, any senior citizen or disabled Ohioans with household income of more than \$26,200 per year could not qualify for the savings. Because of these changes, the number of households eligible for the Homestead Exemption grew. This Homestead

Yellow Springs Exempted Village School District
Five-Year Forecast
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Exemption started with tax bills payable in 2008. For real property, bills paid in 2008 cover the 2007 tax year. For manufactured or mobile homes, bills paid in 2008 cover the 2008 tax year.

The latest legislation, effective November 2013, returns the Homestead exemption to a “means test” qualifier and completely eliminates the 10% and 2 ½% Rollback replacement payments to property taxpayers, for new property tax levies.

When property tax collections go up normally this reimbursement goes up too. If large amounts of delinquencies are collected it will affect the relationship between these two taxes because Homestead and Rollback is paid by the state based on the tax duplicate for that time period. The timing of the homeowner payment is not a factor in the state payment.

Actuals

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Homestead & Rollback</u>	<u>Homestead & Rollback as a % of Property Tax</u>
FY 2017-18	\$4,176,023	\$595,805	14.27%
FY 2018-19	\$4,152,283	\$601,366	14.48%
FY 2019-20	\$4,321,481	\$596,833	13.81%

Estimated

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Homestead & Rollback</u>	<u>Homestead & Rollback as a % of Property Tax</u>
FY 2020-21	\$4,357,943	\$605,000	13.88%
FY 2021-22	\$4,526,935	\$651,204	14.39%
FY 2022-23	\$4,545,267	\$652,289	14.35%
FY 2023-24	\$4,653,267	\$665,017	14.29%
FY 2024-25	\$4,653,267	\$665,017	14.29%

Personal property tax reimbursement is included in this line item but is not included in the above chart.

Yellow Springs Exempted Village School District
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Line 1.060 - All Other Revenue: This line item serves as a miscellaneous revenue category. The primary revenue streams are interest earnings, tuition and open enrollment.

	FY	FY	%	FY	%	3-year
	2017-18	2018-19	Change	2019-20	Change	Change
Tuition	\$242,260	\$190,481	-21.37%	\$260,393	36.70%	3.67%
Open Enrollment	\$1,082,149	\$986,521	-8.84%	\$1,101,979	11.70%	0.91%
Transportation	\$6,536	\$4,387	-32.87%	\$5,848	33.30%	-5.40%
Investment Earnings	\$59,626	\$71,670	20.20%	\$102,351	42.81%	111.94%
All other revenue	\$16,688	\$17,618	5.57%	\$43,960	149.52%	62.30%
TOTALS	\$1,407,259	\$1,270,677	-9.71%	\$1,514,532	19.19%	3.74%

	FY	%	FY	%	FY	%
	2020-21	Change	2021-22	Change	2022-23	Change
Tuition	\$230,000	-11.67%	\$230,000	0.00%	\$230,000	0.00%
Open Enrollment	\$1,101,000	-0.09%	\$1,100,000	-0.09%	\$1,100,000	0.00%
Transportation	\$8,500	45.34%	\$8,500	0.00%	\$8,500	0.00%
Investment Earnings	\$75,000	-26.72%	\$50,000	-33.33%	\$50,000	0.00%
All other revenue	\$5,500	-87.49%	\$5,000	-9.09%	\$5,000	0.00%
TOTALS	\$1,420,000	-6.24%	\$1,393,500	-1.87%	\$1,393,500	0.00%

	FY	%	FY	%	FY	%
	2023-24	Change	2024-25	Change	2025-26	Change
Tuition	\$230,000	0.00%	\$230,000	0.00%	\$230,000	0.00%
Open Enrollment	\$1,100,000	0.00%	\$1,100,000	0.00%	\$1,100,000	0.00%
Transportation	\$8,500	0.00%	\$8,500	0.00%	\$8,500	0.00%
Investment Earnings	\$50,000	0.00%	\$50,000	0.00%	\$50,000	0.00%
All other revenue	\$5,000	0.00%	\$5,000	0.00%	\$5,000	0.00%
TOTALS	\$1,393,500	0.00%	\$1,393,500	0.00%	\$1,393,500	0.00%

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Five-Year Forecast
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Line 1.070 - Total Operational Revenue: This projection shows total revenues decreasing in FY 2021 and then slightly increasing in the future.

<u>Actuals</u>		
<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Percentage growth/ (decrease)</u>
FY 2016-17	\$9,075,285	
FY 2017-18	\$9,394,976	3.52%
FY 2018-19	\$9,321,676	-0.78%
FY 2019-20	\$9,512,982	2.05%
<u>Estimated</u>		
<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Percentage growth/ (decrease)</u>
FY 2020-21	\$9,304,252	-2.19%
FY 2021-22	\$9,482,592	1.92%
FY 2022-23	\$9,499,086	0.17%
FY 2023-24	\$9,754,123	2.68%
FY 2024-25	\$9,754,123	0.00%

Line 2.050 - Advances In (Return of Advances Out) : Advances In are advances of monies within the general fund between special cost centers or to another fund that has a specific purpose. By law a school district is permitted, upon board action, to advance monies from the general fund to any other fund on the district's books. Advances are internal accounting transactions which are temporary in nature and must be paid back to the original fund.

Line 2.060 - All Other Financing Sources: These amounts are various non-operating revenue accounts such as refund of prior year expenditures, sale of assets, and receipts from insurance claims. It is anticipated that that this category will level out in future years.

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

EXPENDITURES

Line 3.010 - Personal Services: This line item accounts for all salaries and wages paid by the District in the General Fund. The District recognizes the following classifications of employees:

- Yellow Springs Education Association (YSEA);
- Ohio Association of Public School Employees/AFSCME/AFL-CIO Chapter #644 – Lunchroom Workers, Aides, Cooks, Instructional Aides, Special Education Aides, 9/10 month Secretaries, Custodial, Maintenance, 10/12 month Secretaries, Administrative Assistants, and Bus Drivers
- Non-Bargaining Unit Employees; and
- Administrators.

Current negotiated agreements between the District & YSEA and the District & OAPSE Chapter #644 will expire July 31, 2022.

Step Increases:

Step increases are the result of employees' advancement on their respective salary schedules in terms of longevity. In addition, teachers may move from one educational level to another as a result of the completion of additional college educational requirements. The individual staff members percentage increase for FY 2021, depending on the teacher's placement, ranged anywhere from a 4.28% increase at the bottom of the salary schedule to a 3.16% increase at the top of the schedule. The increase in total cost for salary schedule movement in any given year is normally 1.64% of salaries or around \$70,000 since not all teachers receive step increases. In FY 2018, staff received a 1.00% base salary increase, for FY 2019 they received a 2.32% increase and for FY 2020 they received a 2.00% base salary increase in addition to step increases. For FY 2021 and FY 2022 all staff will receive a 1% base salary increase each year in addition to step increases.

Staffing Changes:

The District looks at staffing changes as employees retire. In FY 2021 a half time business manager was added in anticipation of future building projects.

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

Negotiated Increases:

Currently, the District is operating under a three year contract with the Yellow Springs Education Association (YSEA). This contract provides for a base salary increase of 2% for FY 2019-20 and a base salary increase of 1% for FY 2020-21 and FY 2021-22 in addition to step increases all three years.

The District is also operating under a two year contract with the Ohio Association of Public School Employees/AFSCME/AFL-CIO Chapter #644 Teamsters Local Union No. 957, which expires on July 31, 2022. This contract provides for a base salary increase of 2% for FY 2019-20 and a base salary increase of 1% for FY 2020-21 and FY 2021-22 in addition to step increases all three years.

Standard benchmarks indicate that the ratio of salary & fringe benefits should be no more than 80%. A ratio between 80% and 85% indicate a need to watch those two areas closely and a ratio more than 85% indicate that most of the revenue is being spent on personnel costs.

The following chart indicates the District's compliance to that benchmark;

	Actual FY 2017-18	Actual FY 2018-19	Actual FY 2019-20	Actual FY 2020-21
Salary & Fringe Benefits	\$7,237,001	\$7,574,440	\$7,629,537	\$7,947,815
Total Operating Revenue	\$9,394,976	\$9,321,676	\$9,512,982	\$9,439,252
Salary & Fringe Benefits as a % of Operating Revenue	77.03%	81.26%	80.20%	84.20%

	Projected FY 2021-22	Projected FY 2022-23	Projected FY 2023-24	Projected FY 2024-25
Salary & Fringe Benefits	\$8,266,996	\$8,570,313	\$8,909,152	\$9,254,666
Total Operating Revenue	\$9,617,592	\$9,634,086	\$9,752,123	\$9,754,123
Salary & Fringe Benefits as a % of Operating Revenue	85.96%	88.96%	91.36%	94.88%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

	FY	FY	%	FY	%	3-year
	2017-18	2018-19	Change	2019-20	Change	Change
Certificated Salaries & Wages	\$3,770,665	\$3,930,988	4.25%	\$4,052,524	3.09%	3.67%
Classified Salaries & Wages	\$1,142,615	\$1,154,261	1.02%	\$1,083,104	-6.16%	-2.64%
Overtime	\$11,097	\$5,490	-50.53%	\$2,357	-57.07%	-53.91%
Substitutes	\$136,724	\$156,648	14.57%	\$116,729	-25.48%	-7.60%
Severance	\$14,185	\$25,503	79.79%	\$18,341	-28.08%	13.71%
Supplementals	\$168,409	\$191,996	14.01%	\$167,469	-12.77%	-0.28%
Personal Leave Incentive						
TOTALS	\$5,243,695	\$5,464,886	4.22%	\$5,440,524	-0.45%	1.86%
	FY	%	FY	%	FY	%
	2020-21	Change	2021-22	Change	2022-23	Change
Certificated Salaries & Wages	\$4,098,835	1.14%	\$4,221,800	3.00%	\$4,348,454	3.00%
Classified Salaries & Wages	\$1,160,900	7.18%	\$1,195,727	3.00%	\$1,231,599	3.00%
Overtime	\$5,500	133.35%	\$5,665	3.00%	\$5,835	3.00%
Substitutes	\$147,100	26.02%	\$151,513	3.00%	\$156,058	3.00%
Severance	\$55,000	199.87%	\$80,000	45.45%	\$75,000	-6.25%
Supplementals	\$178,300	6.47%	\$183,649	3.00%	\$189,158	3.00%
Personal Leave Incentive						
TOTALS	\$5,645,635	3.77%	\$5,838,354	3.41%	\$6,006,105	2.87%
	FY	%	FY	%	FY	%
	2023-24	Change	2024-25	Change	2025-26	Change
Certificated Salaries & Wages	\$4,478,908	3.00%	\$4,613,275	3.00%	\$4,751,673	3.00%
Classified Salaries & Wages	\$1,268,547	3.00%	\$1,306,603	3.00%	\$1,345,801	3.00%
Overtime	\$6,010	3.00%	\$6,190	3.00%	\$6,376	3.00%
Substitutes	\$160,740	3.00%	\$165,562	3.00%	\$170,529	3.00%
Severance	\$75,000	0.00%	\$80,000	6.67%	\$85,000	6.25%
Supplementals	\$194,833	3.00%	\$200,678	3.00%	\$206,699	3.00%
Personal Leave Incentive						
TOTALS	\$6,184,038	2.96%	\$6,372,309	3.04%	\$6,566,078	3.04%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

Line 3.020 - Employees' Retirement/Insurance Benefits: This line item accounts for all retirement and insurance benefits received by our employees, which includes STRS/SERS retirement contributions, medicare, health insurance, life insurance, workers' compensation and unemployment.

STRS/SERS retirement contributions

The School District contributes 14% on wages paid to each employee to the State Teachers Retirement System and to the School Employees Retirement System. The retirement contributions are deducted from the School Foundation payments received from the State of Ohio. The amount deducted changes every January for STRS and every July for SERS based upon salary estimates and actual payments in the prior year.

The School Employees Retirement System also collects a surcharge for members earning under \$19,600 per year, which exclusively funds health care benefits. By current legislation, the annual surcharge to the School District is capped at 2% of the total pay for all the members of the retirement system in the School District, or 1.5% statewide. In fiscal year 2020, the School District paid the statewide capped amount of \$24,038, of which \$19,482 is for general fund.

Medicare

Medicare tax is paid by all employees hired after April 1, 1986. The School District is required to match the 1.45% payment made by these employees. All employees are currently paying medicare.

Insurance (Medical, Dental & Life)

Insurances remain to be a concern for District employees with the increasing cost of health care. .

The District provides two plans; the traditional PPO plan or a High Deductible Health Savings Account. The High Deductible plan was implemented effective January 1, 2020. For the HSA accounts, if the premium is lower than the PPO premium the difference is put into their HSA accounts as "seeding" monies which is theirs to use for medical expenses.

The district has a High Deductible plan in conjunction with the Health Savings Accounts. Effective January 1, 2020 the medical deductibles are \$2,000 for single and \$4,000 for family.

For January 1, 2021 changes were made to the PPO plan so that the premium increase would only be 3.00%. The HDHP increased by 7.5% and the Dental and Vision insurance both increased by 2% effective January 1, 2021.

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

Increases for the health plan were 6.5% in FY14, 0.5% in FY15, 0.0% for FY16, 10% for FY17, 5% for FY18, 5% for FY19 and 17% in FY 20.

Workers Compensation

Workers Compensation payments are based on claims history and the amount of salary paid annually. Premiums for CY 2020 are based on total payroll dollars and claims from CY 2015 through CY 2018; hence there is a two year lag in payment of premiums. In FY 2020 The BWC Board of Directors approved a one time refund of 88% of CY 2018 annual premiums, which for the District equals \$18,750. This amount is reflected in FY 2020 as a refund of expenditure, which is considered a receipt. The District also received a one time refund of \$13,286 for BWC for CY 2017.

All Benefits

Fringe Benefits are projected to increase in FY 2021 and then increase steadily in future years, mostly due to increased costs associated with health care reform.

	FY	FY	%	FY	%	3-year
	2017-18	2018-19	Change	2019-20	Change	Change
STRS	\$629,807	\$667,271	5.95%	\$680,161	1.93%	3.92%
SERS	\$222,688	\$235,130	5.59%	\$224,995	-4.31%	0.52%
Medical	\$940,894	\$996,742	5.94%	\$1,077,507	8.10%	7.01%
Life	\$5,502	\$6,134	11.49%	\$5,519	-10.03%	0.15%
Dental	\$72,071	\$76,172	5.69%	\$74,682	-1.96%	1.80%
Vision	\$11,952	\$12,245	2.45%	\$11,756	-3.99%	-0.82%
Medicare	\$73,406	\$78,613	7.09%	\$79,926	1.67%	4.35%
Workers Comp	\$18,859	\$17,704	-6.12%	\$14,860	-16.06%	-11.23%
Unemployment	\$1,585	\$1,987	25.36%	\$14,003	604.73%	197.23%
Tuition	\$6,795	\$6,986	2.81%	\$4,941	-29.27%	-14.73%
Personal Leave Incentive	\$9,744	\$10,570	8.48%	\$662	-93.74%	-73.93%
TOTALS	\$1,993,303	\$2,109,554	5.83%	\$2,189,012	3.77%	4.79%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

	FY	%	FY	%	FY	%
	2020-21	Change	2021-22	Change	2022-23	Change
STRS	\$702,295	3.25%	\$730,390	4.00%	\$766,909	5.00%
SERS	\$255,000	13.34%	\$265,200	4.00%	\$278,460	5.00%
Medical	\$1,123,800	4.30%	\$1,208,085	7.50%	\$1,298,691	7.50%
Life	\$5,940	7.63%	\$6,120	3.03%	\$6,365	4.00%
Dental	\$77,365	3.59%	\$79,700	3.02%	\$82,888	4.00%
Vision	\$12,170	3.52%	\$12,550	3.12%	\$13,052	4.00%
Medicare	\$83,110	3.98%	\$88,097	6.00%	\$93,382	6.00%
Workers Comp	\$15,000	0.94%	\$16,000	6.67%	\$16,960	6.00%
Unemployment	\$12,500	-10.73%	\$7,500	-40.00%	\$7,500	0.00%
Tuition	\$15,000	203.58%	\$15,000	0.00%	\$15,000	0.00%
Personal Leave Incentive	\$0		\$0		\$0	
TOTALS	\$2,302,180	5.17%	\$2,428,642	5.49%	\$2,564,208	5.58%

	FY	%	FY	%	FY	%
	2023-24	Change	2024-25	Change	2025-26	Change
STRS	\$805,255	5.00%	\$837,465	4.00%	\$870,964	4.00%
SERS	\$292,383	5.00%	\$304,078	4.00%	\$316,241	4.00%
Medical	\$1,396,093	7.50%	\$1,500,800	7.50%	\$1,613,360	7.50%
Life	\$6,620	4.00%	\$6,818	3.00%	\$7,023	3.00%
Dental	\$86,203	4.00%	\$88,790	3.00%	\$91,453	3.00%
Vision	\$13,574	4.00%	\$13,981	3.00%	\$14,401	3.00%
Medicare	\$98,985	6.00%	\$104,924	6.00%	\$108,072	3.00%
Workers Comp	\$17,500	3.18%	\$18,000	2.86%	\$18,500	2.78%
Unemployment	\$7,500	0.00%	\$7,500	0.00%	\$7,500	0.00%
Tuition	\$15,000	0.00%	\$15,000	0.00%	\$15,000	0.00%
Personal Leave Incentive	\$0		\$0		\$0	
TOTALS	\$2,724,114	6.24%	\$2,882,357	5.81%	\$3,047,514	5.73%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

Line 3.030 - Purchased Services: This line item includes consultants, legal services, utilities, rentals, data processing contracts, trash collection, repairs and maintenance, property insurance, mileage reimbursement, meeting expenses, and tuition. Overall purchased services are projected to rise by 14.81% and then increase in future years by an average of 4.00%.

	FY	FY	%	FY	%	3-year
	2017-18	2018-19	Change	2019-20	Change	Change
Professional & Technical Services	\$130,231	\$277,999	113.47%	\$477,246	71.67%	91.43%
Property Services	\$162,410	\$214,682	32.19%	\$205,099	-4.46%	12.38%
Travel Mileage/Meeting Expenses	\$37,044	\$29,663	-19.93%	\$39,333	32.60%	3.04%
Communications	\$63,492	\$73,053	15.06%	\$59,382	-18.71%	-3.29%
Utilities	\$150,858	\$163,119	8.13%	\$150,689	-7.62%	-0.06%
Tuition	\$573,691	\$775,829	35.23%	\$529,527	-31.75%	-3.93%
Pupil Transportation Services	\$2,625	\$3,500	33.33%	\$2,183	-37.64%	-8.81%
Other Purchased Services	\$0	\$0		\$4,667		
TOTALS	\$1,120,351	\$1,537,845	37.26%	\$1,468,126	-4.53%	14.47%

	FY	%	FY	%	FY	%
	2020-21	Change	2021-22	Change	2022-23	Change
Professional & Technical Services	\$548,365	14.90%	\$570,300	4.00%	\$593,112	4.00%
Property Services	\$215,227	4.94%	\$223,836	4.00%	\$232,790	4.00%
Travel Mileage/Meeting Expenses	\$36,090	-8.24%	\$37,534	4.00%	\$39,035	4.00%
Communications	\$64,025	7.82%	\$66,587	4.00%	\$69,250	4.00%
Utilities	\$180,750	19.95%	\$187,980	4.00%	\$195,499	4.00%
Tuition	\$632,900	19.52%	\$658,216	4.00%	\$684,545	4.00%
Pupil Transportation Services	\$3,500	60.35%	\$3,640	4.00%	\$3,786	4.00%
Other Purchased Services	\$4,750	1.77%	\$4,940	4.00%	\$5,138	4.00%
TOTALS	\$1,685,607	14.81%	\$1,753,032	4.00%	\$1,823,154	4.00%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

	FY	%	FY	%	FY	%
	2023-24	Change	2024-25	Change	2025-26	Change
Professional & Technical Services	\$616,836	4.00%	\$641,509	4.00%	\$641,509	0.00%
Property Services	\$242,101	4.00%	\$251,785	4.00%	\$251,785	0.00%
Travel Mileage/Meeting Expenses	\$40,596	4.00%	\$42,221	4.00%	\$42,221	0.00%
Communications	\$72,020	4.00%	\$74,901	4.00%	\$74,901	0.00%
Utilities	\$203,319	4.00%	\$211,452	4.00%	\$211,452	0.00%
Tuition	\$711,926	4.00%	\$740,403	4.00%	\$740,403	0.00%
Pupil Transportation Services	\$3,937	4.00%	\$4,095	4.00%	\$4,095	0.00%
Other Purchased Services	\$5,343	4.00%	\$5,557	4.00%	\$5,557	0.00%
TOTALS	\$1,896,080	4.00%	\$1,971,924	4.00%	\$1,971,924	0.00%

Line 3.040 - Supplies and Materials: This line item includes all consumable supplies that are purchased to operate the District. Specific examples include office supplies, instructional supplies, and vehicle fuel. After decreasing expenses in FY 2020, this budget increased significantly in FY 2021 due to the purchase of curriculum materials. Beginning in FY 2022 this category will increase by 3% every year.

	FY	FY	%	FY	%	3-year
	2017-18	2018-19	Change	2019-20	Change	Change
General Supplies	\$76,937	\$76,851	-0.11%	\$64,484	-16.09%	-8.45%
Textbooks	\$19,933	\$37,561	88.44%	\$40,398	7.55%	42.36%
Library Books	\$2,276	\$4,192	84.18%	\$4,194	0.05%	35.75%
Periodicals	\$1,598	\$1,432	-10.39%	\$1,048	-26.82%	-19.02%
Operation, Maintenance Repair to Plant	\$33,718	\$30,443	-9.71%	\$44,139	44.99%	14.41%
Operation, Maintenance Repair to Motor	\$22,342	\$21,517	-3.69%	\$15,234	-29.20%	-17.43%
Other Supplies & Materials	\$0.00	\$0.00		\$0.00		
TOTALS	\$156,804	\$171,996	9.69%	\$169,497	-1.45%	3.97%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

	FY	%	FY	%	FY	%
	2020-21	Change	2021-22	Change	2022-23	Change
General Supplies	\$89,695	39.10%	\$92,386	3.00%	\$95,157	3.00%
Textbooks	\$128,368	217.76%	\$132,219	3.00%	\$136,186	3.00%
Library Books	\$3,400	-18.93%	\$3,502	3.00%	\$3,607	3.00%
Periodicals	\$1,460	39.31%	\$1,504	3.00%	\$1,549	3.00%
Operation, Maintenance Repair to Plant	\$65,089	47.46%	\$67,042	3.00%	\$69,053	3.00%
Operation, Maintenance Repair to Motor	\$22,125	45.23%	\$22,789	3.00%	\$23,472	3.00%
TOTALS	\$310,137	82.97%	\$319,441	3.00%	\$329,024	3.00%

	FY	%	FY	%	FY	%
	2023-24	Change	2024-25	Change	2025-26	Change
General Supplies	\$98,012	3.00%	\$100,953	3.00%	\$100,953	0.00%
Textbooks	\$140,271	3.00%	\$144,479	3.00%	\$144,479	0.00%
Library Books	\$3,715	3.00%	\$3,827	3.00%	\$3,827	0.00%
Periodicals	\$1,595	3.00%	\$1,643	3.00%	\$1,643	0.00%
Operation, Maintenance Repair to Plant	\$71,125	3.00%	\$73,258	3.00%	\$73,258	0.00%
Operation, Maintenance Repair to Motor	\$24,177	3.00%	\$24,902	3.00%	\$24,902	0.00%
TOTALS	\$338,895	3.00%	\$349,062	3.00%	\$349,062	0.00%

Line 3.060 - Capital Outlay: This line item is for new and replacement equipment. Currently, the District practice is to pay for major renovations as well as bus purchases using the permanent improvement revenues. There is no anticipated change in this process. With permanent improvement revenues, the School District is making a concerted effort to replace the bus fleet, and maintain existing facilities. Ideally, the District should purchase new buses every other year in order to turn over the fleet in a timely manner.

Line 4.010 – Debt Repayment: This line item is for repayment of general fund debt. Annual principal payments of \$75,900 for the House Bill 264 zero-interest Qualified School Construction Bonds (QSCB's) run FY11 through FY21. The Federal interest rate credit has been lower than the interest paid in FY11-FY21, thus far. Due to the Federal Sequestration, the QSCB reimbursement has been cut down to approximately 85%-92% reimbursement.

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

Line 4.300 - Other Objects: This line item includes a number of miscellaneous expenditures not accounted for in the categories previously mentioned. In many instances, these expenditures are deducted from various revenue sources the District receives and are simply an accounting entry required in order to post revenues as a gross amount, as required by state law, instead of a net figure as it is received. Expenditures in this line item include county auditor and treasurer fees, county educational service center expenditures, dues, professional memberships, and audit costs. The District has forecasted this category to increase every other year due to the fact that the District has biannual financial audits.

Line 4.500 - Total Operational Expenditures: Operational Expenditures increased by 10.56% for FY 2019 and then decreased by 1.43% for FY 2020. Expenditures are projected to increase by 7.6% in FY 2021 and then increase by modest levels after that.

<u>Actuals</u>		
<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Percentage growth/ (decrease)</u>
FY 2016-17	\$8,425,616	
FY 2017-18	\$8,782,699	4.24%
FY 2018-19	\$9,710,480	10.56%
FY 2019-20	\$9,571,328	-1.43%
<u>Estimated</u>		
<u>Fiscal Year</u>	<u>Total Expenditures</u>	<u>Percentage growth/ (decrease)</u>
FY 2020-21	\$10,298,342	7.60%
FY 2021-22	\$10,584,080	2.77%
FY 2022-23	\$11,005,709	3.98%
FY 2023-24	\$11,395,061	3.54%
FY 2024-25	\$11,862,586	4.10%

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

Line 5.010 thru Line 5.030 - Other Financing Uses: These line items account for all advances and transfers out of the General Fund to other funds under the District's control. These decisions are typically made at the end of the fiscal year. Transfers are not repaid to the General Fund; however, advances are eventually repaid, which results in a "wash" transaction.

Line 6.010 - Excess of Revenues and Other Financing Sources over/ (under) Expenditures and Other Financing: This indicates if the District spent more or less monies than what was received in the current fiscal year. In FY 2021 thorough FY 2025 the district is projected to spend more than it receives (deficit spending).

Line 7.02 - Cash Balance June 30: The District's cash balance for June 30, 2020 was \$5,017,297 which reflects 136 days of operating cash based on total operating expenditures of \$9,571,328 in FY 2020. The minimum target is 30 days worth of operating cash or in this case \$1.1 million. In FY 2021 the June 30 fund balance is anticipated to be \$4,069,867, which is 103 days of operating cash.

Line 8.010 - Encumbrances: Because the District operates on a cash basis monies must be reserved at year end to pay for items which have been ordered, but not yet received and paid for. This amount will show within the expenditures for the next fiscal year. The estimates are based on balances from previous years.

Line 9.010 - Reservation of Fund Balance: The District has a budget reserve of \$354,081 which is included in this line item.

Line 12.010 - Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations: House Bill 412 requires that school districts certify that adequate revenues will be available to maintain all personnel, programs, and services, essential to the provision of an adequate educational program for a specified number of days.

Certification for contracts, salary schedules, and other financial obligations MAY anticipate the renewal or replacement of existing property tax levies and the approval to extend an existing income tax levy beyond its current expirations. This certification includes revenue from the renewal or replacement of current levies and must be positive in order to certify multi-year bargaining contracts.

Yellow Springs Exempted Village School District
Five-Year Forecast
FY 2018-20 Actual, FY 2021-25 Forecasted
Presented November 12, 2020

SUMMARY

Currently, there are procedures in place to monitor expenditures in order to trim expenses as needed rather than in a large amount all at once. Revenues are also monitored extremely close. The District is able to maintain a positive cash balance until the end of FY 2023.