

Waynedale Local Schools 5-Year Forecast



OVERVIEW

The 5-year forecast for the Waynedale Local School District (the “District”) represents the best projections of revenues and expenses for the General Fund of the District based on the assumptions made. The Overview summarizes the assumptions and background information used to develop the forecast. The detailed assumptions are included in the “Detailed Information and Projections” which contains background information for each line item.

REVENUES

Property Taxes – Property tax estimates are based upon historical growth patterns. The County Auditor provides property valuations for the District for all classes of property. The forecast assumes that the real estate collections will increase starting in FY2025 due to the triennial update. The District has two Emergency levies on the books. One Emergency was renewed in November 2009 and November 2019. The last year of collection is 2030 and it raises \$1,017,000 annually. The other Emergency was approved in November 2010 and renewed in November 2014. The last year of collection is 2025 and it raises \$1,800,000 annually.

Pipeline Utility Taxes – The Forecast includes the actual revenue generated by the Rover pipeline in FY2019 through FY2024. The FY2025 and beyond estimates are based on the company paying at the current rate and includes the 1% reduction for depreciation. There is no estimate on when the Pipeline valuation case will be decided.

Unrestricted Grant-in-Aid – This line item represents the State Foundation funds received by the District. The amounts used in the forecast are based on ODE projections for FY25. It is assumed that state funding will remain flat during final four years of the Forecast.

Property Tax Allocation – This line item denotes the amount of funding received from the State for the Homestead Exemption, Property Tax Rollback and Tangible Personal Property reimbursement. The Homestead and Rollback estimates are assumed stable through the forecast period.

Other Revenue – Items included in the other category are interest income, fees and other miscellaneous income. This line item is reduced to reflect the change in the funding formula and districts no longer receiving open enrollment revenue. It is assumed that class fees and participation fees will continue for the period of the forecast.

EXPENSES

Personal Services –The negotiated agreement with the teaching staff of the District expires June 30, 2026. Salary increases are per the negotiated agreements through FY26. The salary increases after FY2026 represent the longevity amounts and a base salary increase.

The Forecast reflects the current staffing levels with the new building open. It is assumed that the staffing levels will remain at current levels.

Employees' Retirement/Insurance Benefits – The District's share of retirement (State Teachers Retirement System and School Employee Retirement System), workers compensation and Medicare payments are based upon a percentage of salary and wages. It is assumed that the amount for all of these will remain at approximately 17% of salary. The cost of health insurances is assumed to increase by 8% per year for the length of the forecast.

Purchased Services – This line item represents the amounts paid for utilities, contracts for services, mileage/meeting expenses, property insurance, computer service contracts, legal services and other services. This line shows a reduction over historical actuals because of the change in the funding formula. Districts are no longer charged for open enrollment out student, community school students and scholarship students. . The Forecast includes the continuation of a school resources officer and mental health purchased services. It is assumed that this line item will increase at a rate of 1% per year.

Supplies and Materials – The projected amount in this line item is based upon historical patterns. With some reduction for items purchases allowable under ESSER funding. It assumed that the budgeted amounts in this area would remain relatively flat.

Capital Outlay – This item is low because of the Permanent Improvement (PI) levy in place.

Transfers – The Forecast includes the following transfers. A transfer of \$250,000 to the Building construction fund. The annual School Wide Pool is included in the transfer. Also shown in the transfers is the annual COPs payments transfer to the Bond retirement fund.

DETAILED PROJECTIONS AND INFORMATION
REVENUE

Real Estate Taxes – The valuation history of the District must be reviewed when making an estimate of real estate tax revenues. The table below details the District’s real estate valuation history.

DOLLAR AMOUNT	Real Estate				TOTAL
	Res/ Ag	New Constr	Other	New Constr	
Tax Year 2015, Paid 2016	267,323,120	3,058,320	33,925,820	591,710	304,898,970
Tax Year 2016, Paid 2017	272,920,080	3,170,090	35,481,200	1,288,000	312,859,370
Tax Year 2017, Paid 2018*	287,930,340	3,592,660	37,095,050	1,759,610	330,377,660
Tax Year 2018, Paid 2019	293,277,630	3,746,090	39,591,880	4,453,970	341,069,570
Tax Year 2019, Paid 2020	300,737,510	3,544,920	45,308,770	1,329,020	350,920,220
Tax Year 2020, Paid 2021**	331,884,521	4,534,100	52,396,190	2,024,440	390,839,251
Tax Year 2021, Paid 2022	336,911,090	6,112,150	53,525,850	3,747,890	400,296,980
Tax Year 2022, Paid 2023	354,172,360	3,844,550	61,248,490	2,571,350	421,836,750
Tax Year 2023, Paid 2024*	460,198,400	5,794,290	63,569,280	4,550,040	534,112,010

* This is an Update year.
 ** This is an Reappraisal year.

The real estate valuation has been very stable. The average increase for real estate over the period is 5% per year. However, the increases occur in the reappraisal and update years. The Update that occurred in 2023, payable in 2024 brought a significant increase in value. Another factor that affects the real estate tax revenue is HB920. HB920 reduces tax rates as valuation increases until the total effective millage reaches 20 mills. In 2005, the effective millage for continuing levies hit the 20-mill floor. The new revenue to the District comes from the new construction in the District, valuation growth, reaching the 20 mills and the inside mills (4.5 mills). Therefore, it is also important to review the actual real estate tax collection history.

REAL ESTATE TAX COLLECTION HISTORY					
	Amount	% Inc		Amount	% Inc
CY2018	8,844,138	1.52%	FY2018	9,086,477	3.21%
CY2019	10,634,173	20.24%	FY2019	10,755,218	18.37%
CY2020	12,885,461	21.17%	FY2020	12,459,146	15.84%
CY2021	13,015,688	1.01%	FY2021	13,128,172	5.37%
CY2022	12,401,118	-4.72%	FY2022	12,434,439	-5.28%
CY2023	12,995,144	4.79%	FY2023	12,698,099	2.12%
CY2024	14,877,045	14.48%	FY2024	14,029,537	10.49%

The District’s fiscal year is July 1 through June 30. The first fiscal year of full collection of the Emergency levy passed in November 2010 was FY2012. The Emergency levy passed in 2010 and has been renewed through 2025. It will need to be renewed. This Emergency levy raises \$1,800,000 annually. A second Emergency levy was renewed in

November 2009 and November 2019. The last year of collection will be 2030 and raises \$1,017,000 annually.

The 2023 real estate update, payable 2024, showed a large increase in values which translated into an increase in collections. The forecast assumes that the real estate collection increases due to this valuation increase will occur in 2025. After that, it is assumed that there will be a reduction in the amount due to a legislative action.

The projected amount of real estate tax revenue for the forecast is as follows:

2025	2026	2027	2028	2028
14,929,785	14,033,780	12,966,997	13,114,787	13,264,743

Unrestricted Grant-in-Aid - This line item represents the State Foundation funds received by the District. The amounts used in the forecast are based on ODE projections for FY25 and include the new funding formula approved by the legislature. It is assumed that the district state funding will be flat in FY2026 through FY2029.

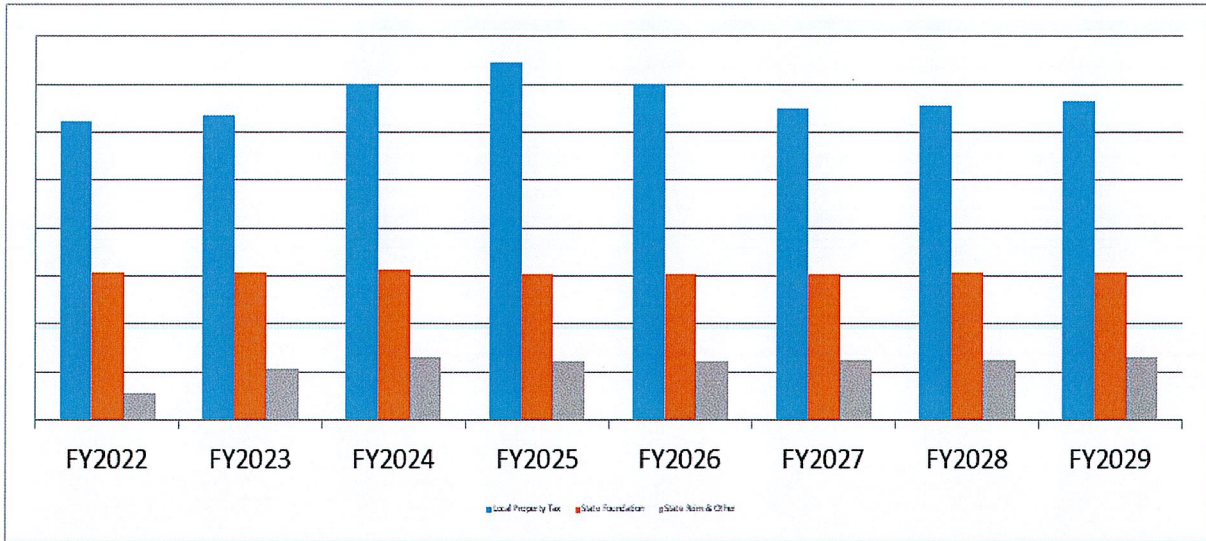
	FY25	FY26	FY27	FY28	FY29
State Foundation	5,814,587	5,814,587	5,814,587	5,816,587	5,818,587
Other State	300,000	300,000	300,000	300,001	300,002

Property Tax Allocation – This line item denotes the amount of funding received from the State for the Homestead Exemption and Property Tax Rollback. The amount of revenue from this source corresponds directly with the property tax value in the District.. The following chart details the estimated revenue for this line item

	FY2025	FY2026	FY2027	FY2028	FY2029
Rollback	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Homestead Exemption	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
TOTAL	\$1,275,000	\$1,275,000	\$1,275,000	\$1,275,000	\$1,275,000

Other Revenue – Items included in the other category are interest income, fees and other miscellaneous income. This line item is reduced to reflect the change in the funding formula and districts no longer receiving open enrollment revenue. It is assumed that class fees and participation fees will continue for the period of the forecast.

WHERE THE MONEY COMES FROM?



EXPENSES

Personal Services - The negotiated agreement with the teaching staff of the District expires June 30, 2026. Salary increases are per the negotiated agreements through FY26. The salary increases after FY2026 represent the longevity amounts and a base salary increase.

The Forecast reflects the current staffing levels with the new building open. It is assumed that the staffing levels will remain at current levels.

Description	FY2025	FY2026	FY2027	FY2028	FY2029
Certificated Staff	5,077,965	5,301,396	5,494,896	5,695,460	5,903,344
Classified Staff	1,639,865	1,721,858	1,807,951	1,848,630	1,890,224
Extra Curricular Stipends	358,030	366,981	376,156	385,560	395,199
Substitutes	150,000	150,000	150,000	150,000	150,000
Severance	75,000	75,000	75,000	75,000	75,000
Overtime / Other	75,000	50,000	50,000	50,000	50,000
	<u>7,375,860</u>	<u>7,665,235</u>	<u>7,954,003</u>	<u>8,204,650</u>	<u>8,463,767</u>

Certified staff includes all individuals holding a license to perform their job. This would include administrator, principals and all teachers. Classified staff includes custodians, aides, secretaries and bus drivers.

Employees' Retirement/Insurance Benefits – The District's share of retirement (State Teachers Retirement System and School Employee Retirement System), workers compensation and Medicare payments are based upon a percentage of salary and wages. It is assumed that the amount for all of these will remain at approximately 17% of salary. In FY25, it is assumed that the District will take a premium holiday. The cost of health insurances is assumed to increase by 8% per year for the length of the forecast.

	FY2025	FY2026	FY2027	FY2028	FY2029
Retirement, Medicare, WC	1,253,896	1,303,090	1,352,181	1,394,790	1,438,840
Life and Health Insurance	2,775,013	3,231,074	3,489,560	3,768,724	4,070,222
Total Fringe Benefits	4,028,909	4,534,164	4,841,740	5,163,515	5,509,063

Purchased Services – This line item represents the amounts paid for utilities, contracts for services, mileage/meeting expenses, property insurance, computer service contracts, legal services and other services. This line shows a reduction over historical actuals because of the change in the funding formula. Districts are no longer charged for open enrollment out student, community school students and scholarship students. The Forecast includes the continuation of a school resources officer and mental health purchased services. It is assumed that this line item will increase at a rate of 1% per year. The chart below gives you a breakdown of the categories

	2025	2026	2027	2028	2029
Legal, Contract, Preschool, STEM, Wellness, TCCSA	685,999	692,859	699,788	706,785	713,853
Repairs and Maintenance	279,865	282,664	285,491	288,346	291,229
Trainings, Meetings, Inservice	27,240	27,513	27,788	28,066	28,346
Utilities	573,946	579,686	585,483	591,337	597,251
Tuition	435,793	440,151	444,552	448,998	453,488
	2,004,869	2,024,898	2,045,128	2,065,560	2,086,196

Supplies and Materials – The projected amount in this line item is based upon historical patterns. With some reduction for items purchases allowable under ESSER funding. It assumed that the budgeted amounts in this area would remain relatively flat.

Capital Outlay – This item is low because of the Permanent Improvement (PI) levy in place.

Transfers – The Forecast includes the following transfers. The annual School Wide Pool transfer associated the School Wide Pool. Also shown in the transfers is the annual COPs payments transfer to the Bond retirement fund starting in FY2023.

CONCLUSIONS

The Forecast does not show a deficit. The District needs to continue to explore additional opportunities for savings and increasing revenue. However, the District will need to watch the valuation appeal by the pipeline company and the State funding formula. This could have an impact on future finance

