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 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.

Southeast Local 5-Year Financial Forecast

Southeast Five Year Forecast

tSt'49S'9T	584'812'91	16,466,523	661'902'51	13,241,838	227,187,9	\$12 ' 156 ' 8	514,413	Cash Balance June 30	020.7
58 †' ETZ'9T	£22,466,523	66T'90L'ST	13,241,838	7721'182'6	8'62T'5T¢	10,194,413	944'058'61	Cash Balance July 1 - Including Proposed Renewal/Replacement and New Levies	
									010.7
(760,032)	796'9 1 7	₽ Z£'09∠	T9E' + 9 + 'Z	911'015'8	805'087	(861'87'1)	(488,334,9	Other Financing Uses	
							(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Excess of Revenues and Other Financing Sources over (under) Expenditures and	010.8
COC(+CT(77	LTL (CC) (T7	707/06//07	000/00=/0=						
22,154,365	71,459,414	192,367,02	900'601'07	957'656'61	811,890,22	22,226,193	112,408,62	Total Expenditures	6.050
//-				750,000	000'002	000'000'7	13,000,000	Jnamye9 nwod gnibliu8	
T00'SSZ'T	1,755,000	1,753,025	056,127,1	2,185,375	2,820,325	044,887		COPs Payment Transfer	
8,332,473	151,792,8	690'802'8	3,140,264	3,048,800	000'096'7	3,145,000	3,515,000	SWP Transfer	040.2
300,002	100,005	300,000	300,000	300,000	317,459	694'608	284,818	Other Objects	4.300
000'SZ	000'SZ	000'SZ	000'SZ	984,851	98t'EST	781 '65	7,357	Capital Outlay	3.050
168,458	985'089	226,322	171,028	186'819	706'209	£04'06S	236,045	Supplies and Materials	3.040
7,084,167	7,063,532	2,043,101	7/8,220,2	7,002,844	£10,588,13	0∠0′S6S′τ	7:837	Purchased Services	3.030
£90'605'S	STS'E9T'S	044,148,4	t9T'tES't	4,028,909	655'597'7	St6'9tI't	£15,089,5	Employees' Retirement/Insurance Benefits	3.020
۲9۲,٤ <i>9</i> ۴,8	8,204,650	۲,954,003	2,665,235	098'\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	7ZE'S60'8	£89'T6S'Z	946'841'4	Personal Services	3.010
						333 732 2	370 0272	Expenditures	0100
22,008,333	976,807,12	585'955'77	Z98'8ZS'ZZ	Z75,634,EZ	979'818'77	566,286,02	771,841,02	Total Revenues	0۲۵.۲
					1, 100 1			OE In (162, 181, 173)	
1,350,000	1,200,000	1,200,000	1,150,000	1,150,000	1,301,932	SZS'0Z6	434,083	All Other Revenues	1.060
1,275,000	1,275,000	1,275,000	1,275,000	000'\$∠ζ'τ	1,284,768	1,140,421	1,120,735	Property Tax Allocation	1.050
065'811'9	685'911'9	885'171'9	Z8S'bTT'9	485'711'9	686,262,389	006'871,8	076'851'9		
,								SARES Funding	
800,008	300,002	300,001	300,000	300,000	329,312	099'07	319,203	Restricted State Grants-in-Aid	1.040
Z85'8T8'S	Z85'9T8'S	Z92,418,5	Z85'ÞT8'S	Z8S'\$T8'S	ZZ0'EE6'S	5,903,240	ZTZ'688'S	Unrestricted State Grants-in-Aid	1.035
2,264,743	787,485,2	۲466'90 ۱ '۲	087,864,2	Z6S'06S'Z	646,066,2	991,787,2	2,883,983	Rover Pipeline Funds	1.018
11,000,000	10,780,000	10,560,000	11,540,000	12,339,188	881,888,11	9,910,933	957'055'6	General Property Tax (Real Estate)	010.1
5059	2028	2027	2079	7072 7072	2024	5053	2022	Revenues	
				Projected		leutoA			
C+ ('+07'CT	101/477/07	100100017-	00.1(000); =	00.1107.01.7				County: Wayne	
13,264,743	13,114,787	700 330 CI	14,033,780	14,929,785	14,029,537	17,698,099		IRN: 050583	
								District Type: Local	

DETAILED PROJECTIONS AND INFORMATION

REVENUE

<u>Real Estate Taxes</u> – 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					
	Res/ Ag	New Constr	Other	New Constr	TOTAL
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.

	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

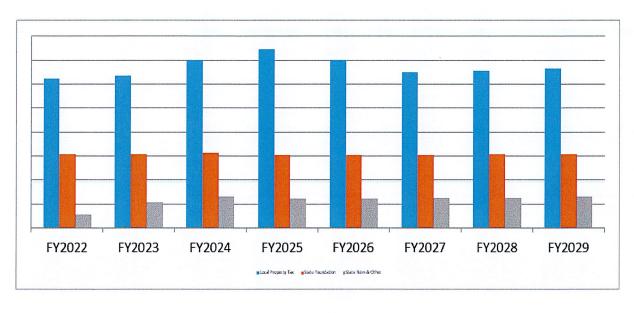
<u>Unrestricted Grant-in-Aid</u> - This line item represents the State Foundation funds received by the District. The amounts used in the forecast are based on ODE projections for FY25 and include the new funding formula approved by the legislature. It is assumed that the district state funding will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

<u>Property Tax Allocation</u> – 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 Homestead Exemption	\$900,000 \$375,000	\$900,000 \$375,000	\$900,000 \$375,000	\$900,000 \$375,000	\$900,000 \$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

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

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

<u>Purchased Services</u> – 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 Tuition	573,946 435,793	579,686 440,151	585,483 444,552	591,337 448,998	597,251 453,488
					,
	2,004,869	2,024,898	2,045,128	2,065,560	2,086,196

<u>Supplies and Materials</u> – 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.

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

<u>Transfers</u> – 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

