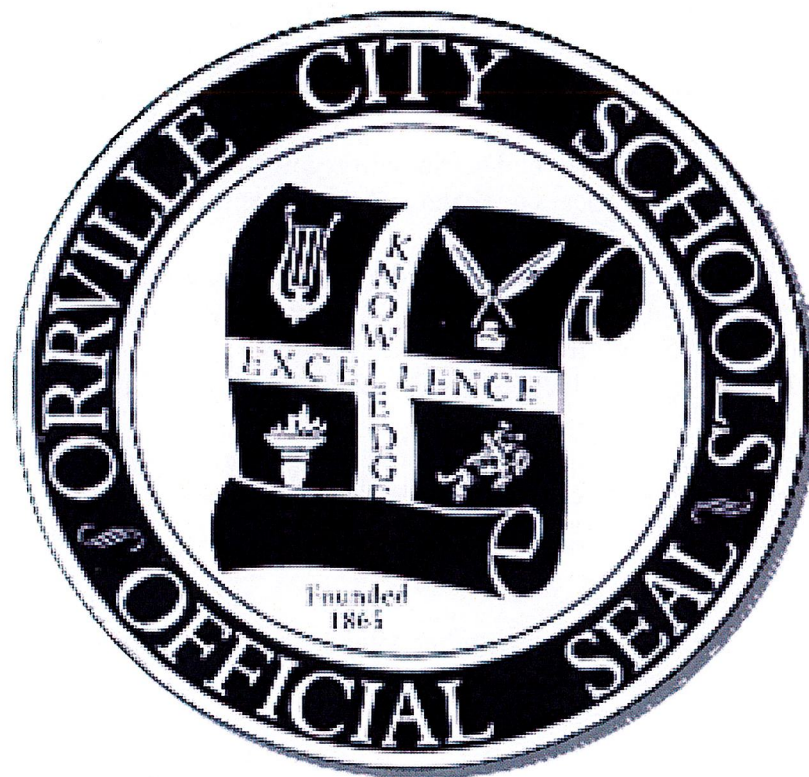


# Orrville City Schools 5-Year Forecast



**OVERVIEW**

The 5-year forecast for the Orrville City 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 – Historical growth patterns are used to develop Property tax estimates. The County Auditor provides property valuations for the District for all classes of property. The forecast assumes that the value of new construction will continue at current levels for the period of the forecast. It also assumes that 5% increase will occur in due to the 2023 Triennial Update. The emergency levy approved by the voters in February of 2003 was renewed in 2007 and renewed in August 2013 and renewed in November of 2022. This levy will be collected through 2033. The voters approved a second emergency levy in May 2010 and was renewed in 2015 and will be collected through 2025.

Income Tax – It is estimated that the District will receive income tax sharing revenue from the City of Orrville for local tax abatements starting in FY2019.

Unrestricted Grant-in-Aid – This line item represents the State Foundation funds received by the District under the new funding formula. The ODE has created estimated amounts for FY2024 and FY2025. Full funding of the new formula will be phased in over 6 years. It is assumed that this line will increase by 5% in FY26 through FY28.

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 to be stable through the forecast period.

Other Revenue – Items included in the other category are interest income, fees and other miscellaneous income. Historically, open enrollment amounts were included in this line item and the new funding formula does not provide these payments. It is assumed that class fees and participation fees will continue for the period of the forecast.

EXPENSES

Personal Services – The salaries and wages for District employees are accounted for in this line item. The District has tried to decrease staffing levels through attrition over the past several years. It is assumed that the staffing levels will remain constant during the

forecast. The negotiated agreement with the teaching staff of the District expires June 30, 2026. Salary increases are per the negotiated agreements through FY26.

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 18% 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. It assumed that the budgeted amounts in this area will remain relatively.

Capital Outlay – An amount is included in FY2024 for turf replacement and track restoration. The remaining years follow the historical patterns.



**Orrville Five Year Forecast**

District Type: City  
 IRN: 046610  
 County: Wayne

	2021	2022	2023	2024	2025	2026	2027	2028
<b>Revenues</b>								
1.010 General Property Tax (Real Estate)	8,760,297	9,149,214	9,172,292	9,264,292	9,458,817	9,653,342	9,847,867	10,042,392
1.020 Income tax	38,221	43,855	26,709	38,000	38,000	38,000	38,000	38,000
1.035 Unrestricted State Grants-in-Aid	6,647,504	6,274,777	6,561,261	7,304,097	7,498,102	7,873,007	8,266,657	8,679,990
1.040 Restricted State Grants-in-Aid	184,185	608,180	596,633	300,000	300,000	315,000	330,750	347,288
<b>Expenditures</b>	6,831,688	6,882,957	7,157,894	7,604,097	7,798,102	8,188,007	8,597,407	9,027,278
1.050 Property Tax Allocation	863,162	853,333	830,685	830,000	830,000	830,000	830,000	830,000
1.060 All Other Revenues	721,024	482,668	776,287	700,000	700,000	700,000	700,000	700,000
1.070 Total Revenues	17,844,121	17,412,027	17,963,867	18,436,389	18,824,919	19,409,349	20,013,274	20,637,670
3.010 Personal Services	9,328,960	9,596,660	9,433,443	9,886,575	10,444,941	10,883,093	11,210,210	11,547,824
3.020 Employees' Retirement/Insurance Benefits	3,794,346	3,904,864	4,043,978	4,223,631	4,521,987	4,816,180	5,109,074	5,422,736
3.030 Purchased Services	2,124,203	2,207,882	2,408,494	2,582,300	2,608,123	2,634,204	2,660,546	2,687,152
OE Out (140, 153, 154)	921,000							
Scholarship (2, 7, 11)	153,898							
Community Schools (37, 29, 42)	339,645							
3.040 Supplies and Materials	498,775	494,490	646,143	669,500	625,000	631,250	637,563	643,938
3.050 Capital Outlay	257,614	36,497	152,781	550,000	150,000	150,000	150,000	150,000
4.300 Other Objects	228,411	188,457	193,274	200,000	200,000	200,000	200,000	200,000
4.500 Total Expenditures	17,646,852	16,428,850	16,878,113	18,112,007	18,550,051	19,314,727	19,967,393	20,651,650
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	197,269	983,177	1,085,754	324,382	274,868	94,622	45,881	(13,980)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	9,217,770	9,415,039	10,398,217	11,483,971	11,808,353	12,083,221	12,177,842	12,223,724
7.020 Cash Balance June 30	9,415,039	10,398,217	11,483,971	11,808,353	12,083,221	12,177,842	12,223,724	12,209,743

**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 2016, Paid 2017	152,509,110	998,320	79,308,700	1,236,000	234,052,130
Tax Year 2017, Paid 2018*	157,993,940	695,840	80,774,020	2,517,450	241,981,250
Tax Year 2018, Paid 2019	158,602,870	702,470	82,856,290	4,171,530	246,333,160
Tax Year 2019, Paid 2020	159,583,690	1,227,670	84,067,510	3,633,290	248,512,160
Tax Year 2020, Paid 2021**	185,143,920	1,863,230	91,712,720	384,390	279,104,260
Tax Year 2021, Paid 2022	186,829,530	1,859,440	90,681,240	1,536,290	280,906,500
Tax Year 2022, Paid 2023	189,320,310	1,645,350	92,884,060	734,570	284,584,290

\* 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 3.77% per year. However, the increases occur in the reappraisal and update years. The Forecast assumes a 5% increase in FY2025 due to the triennial update. 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. Therefore, it is also important to review the actual real estate tax collection history.

REAL ESTATE TAX COLLECTION HISTORY					
	Amount	% Inc		Amount	% Inc
CY2016	7,904,419	-0.88%	FY2016	7,979,176	0.95%
CY2017	8,108,015	2.58%	FY2017	7,976,038	-0.04%
CY2018	8,215,304	1.32%	FY2018	8,282,293	3.84%
CY2019	8,406,882	2.33%	FY2019	8,095,003	-2.26%
CY2020	8,502,169	1.13%	FY2020	8,610,308	6.37%
CY2021	9,083,445	6.84%	FY2021	8,760,297	1.74%
CY2022	9,078,071	-0.06%	FY2022	9,141,400	4.35%
CY2023	9,299,026	2.43%	FY2023	9,172,292	0.34%

The District’s fiscal year is July 1 through June 30. The Emergency passed in 2003; was renewed in 2007 and renewed again in 2013 and 2022. Collections will run through 2033. A second Emergency levy was passed in May 2010 and was renewed in 2015. The last year of collection for this levy is 2025.

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

	FY2024	FY2025	FY2026	FY2027	FY2028
Real Estate Taxes	9,264,292	9,458,817	9,653,342	9,847,867	10,042,392

Unrestricted Grant-in-Aid - This line item represents the State Foundation funds received by the District. FY2024 and FY2025 is based upon the projections by ODE. The FY2026 through FY2028 amounts assume full funding of the new formula that will be phased in over 6 years and equal 5% increase per year.

	FY24	FY25	FY26	FY27	FY28
State Foundation	\$7,304,097	\$7,498,102	\$7,873,007	\$8,266,657	\$8,679,990

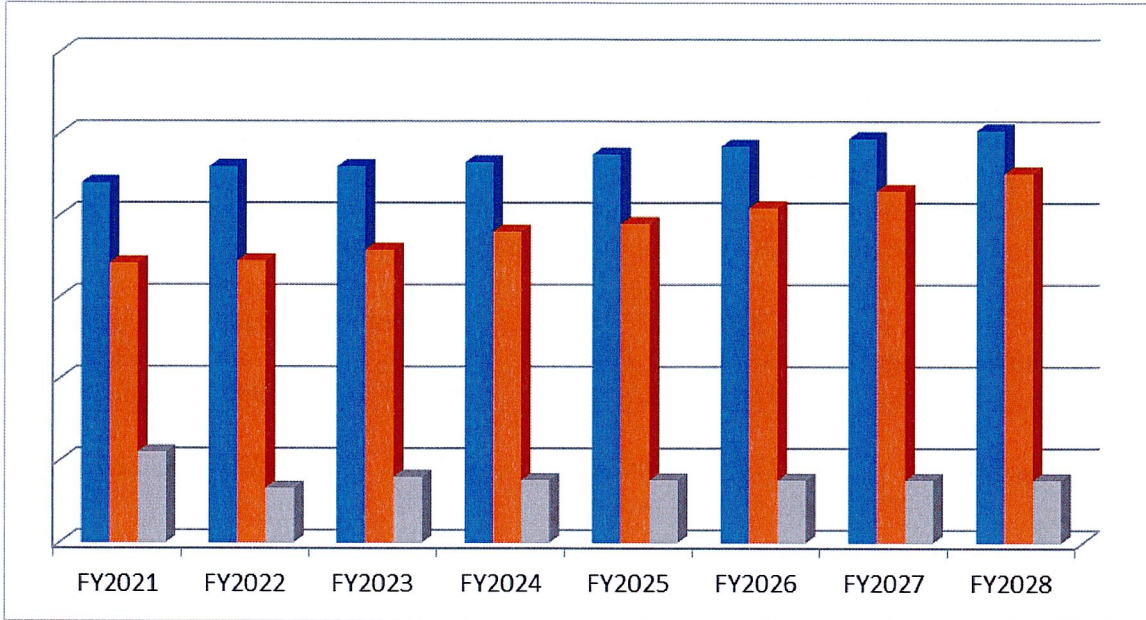
Property Tax Allocation – This line item denotes the amount of funding received from the State for the Homestead Exemption and Property Tax Rollback. The amount of revenue from this source corresponds directly with the property tax value in the District. Also included in this line item is the tangible personal property reimbursement. The State budget included a provision to eliminate the TPP reimbursement after FY2016. The following chart details the estimated revenue for this line item.

	FY2022	FY2023	FY2024	FY2025	FY2026
Rollback	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000
Homestead Exemption	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
<b>TOTAL</b>	<b>\$840,000</b>	<b>\$840,000</b>	<b>\$840,000</b>	<b>\$840,000</b>	<b>\$840,000</b>

Other Revenue – Items included in the other category are interest income, fees and other miscellaneous income. Historically, open enrollment amounts were included in this line item and the new funding formula does not provide these payments. It is assumed that class fees and participation fees will continue for the period of the forecast.



**WHERE THE MONEY COMES FROM?**



Blue – Real estate taxes; Red – State funding; Gray – Other

**EXPENSES**

Personal Services - The salaries and wages for District employees are accounted for in this line item. The District has tried to decrease staffing levels through attrition over the past several years. It is assumed that the staffing levels will remain constant during the forecast. Several positions have been added thanks to Federal and State money received by the District. These items are accounted for in a separate fund.

The negotiated agreement with the teaching staff of the District expires June 30, 2026. The salary levels through FY26 are per the agreement. The following chart details the salary projection.

Description	FY2024	FY2025	FY2026	FY2027	FY2028
Certificated Staff	7,279,201	7,769,091	8,136,570	8,413,215	8,699,268
Classified Staff	1,948,589	2,013,477	2,080,526	2,127,338	2,175,203
Extra Curricular Stipends	358,785	362,373	365,997	369,657	373,354
Substitutes	175,000	175,000	175,000	175,000	175,000
Severance	50,000	50,000	50,000	50,000	50,000
Overtime / Bus Trips	75,000	75,000	75,000	75,000	75,000
	9,886,575	10,444,941	10,883,093	11,210,210	11,547,824

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 18% of salary. The cost of health insurances is assumed to increase by 8% per year for the length of the forecast and that the Stark COG will continue to have a premium holiday.

	FY2024	FY2025	FY2026	FY2027	FY2028
Retirement, Medicare, WC	1,680,718	1,775,640	1,850,126	1,905,736	1,963,130
Life and Health Insurance	2,542,914	2,746,347	2,966,054	3,203,339	3,459,606
Total Fringe Benefits	4,223,631	4,521,987	4,816,180	5,109,074	5,422,736

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. It assumed that the budgeted amounts in this area will increase slightly per year.

Capital Outlay – An amount is included in FY2024 for turf replacement and track restoration. The remaining years follow the historical patterns.

CONCLUSIONS

The 5-Year Forecast shows that expenditures will not exceed revenues in the Forecast. The Forecast does not show a deficit until FY2028. The District needs to continue to explore additional opportunities for savings and increasing revenue.