



# *FIVE YEAR FORECAST*

*FISCAL YEARS  
2014 – 2018*

*April 21, 2014*

*Linda K. Schumacher, CPA  
Treasurer*



PIONEER CAREER AND TECHNOLOGY CENTER -- RICHLAND COUNTY  
Schedule Of Revenue, Expenditures and Changes In Fund Balances  
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Revenue:								
1.010 - General Property Tax (Real Estate)	3,756,213	3,753,080	3,926,874	3,776,120	3,762,910	3,772,943	3,784,018	3,816,560
1.020 - Public Utility Personal Property	356,748	346,912	245,126	340,554	341,574	344,075	346,575	349,075
1.035 - Unrestricted Grants-in-Aid	9,618,728	9,705,241	6,881,262	7,472,247	7,505,970	7,631,952	7,744,780	7,855,492
1.040 - Restricted Grants-in-Aid	-	-	2,834,868	2,423,615	2,498,900	2,534,829	2,567,140	2,612,268
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,796,716	978,829	689,888	689,340	690,184	692,112	694,112	697,974
1.060 - All Other Operating Revenues	451,104	420,006	261,056	221,056	183,267	145,099	146,550	148,016
1.070 - Total Revenue	15,979,509	15,204,068	14,839,074	14,922,931	14,982,805	15,121,009	15,283,176	15,479,385
Other Financing Sources:								
2.040 - Operating Transfers-In	-	491	-	-	-	-	-	-
2.050 - Advances-In	275,000	72,000	24,000	40,050	75,000	75,000	75,000	75,000
2.060 - All Other Financing Sources	24,709	67,537	25,055	24,000	24,000	24,000	24,000	24,000
2.070 - Total Other Financing Sources	299,709	140,028	49,055	64,050	99,000	99,000	99,000	99,000
2.080 - Total Revenues and Other Financing Sources	16,279,218	15,344,096	14,888,129	14,986,981	15,081,805	15,220,009	15,382,176	15,578,385
Expenditures:								
3.010 - Personnel Services	9,168,254	9,100,883	8,974,040	8,904,279	9,171,886	9,583,168	10,104,742	10,660,503
3.020 - Employees' Retirement/Insurance Benefits	3,629,410	3,752,107	3,697,196	3,457,280	3,500,231	3,566,242	3,649,955	3,739,154
3.030 - Purchased Services	1,407,082	1,387,833	1,297,742	1,492,674	1,537,454	1,583,578	1,631,085	1,680,018
3.040 - Supplies and Materials	474,783	494,415	534,487	550,522	567,037	584,048	601,570	619,617
Debt Service:								
4.010 - Principal-All Years	275,000	290,000	295,000	-	-	-	-	-
4.020 - Principal - Notes				250,000	260,000	270,000	280,000	290,000
4.050 - Principal - HB264 Loan				60,000	60,000	65,000	-	-
4.055 - Principal - Other				-	-	-	-	-
4.060 - Interest and Fiscal Charges	567,851	557,839	547,122	535,584	522,559	508,309	495,400	484,000
4.300 - Other Objects	171,130	182,739	191,204	200,764	210,802	221,343	232,410	232,410
4.500 - Total Expenditures	15,693,510	15,765,816	15,536,791	15,451,104	15,829,971	16,381,689	16,995,162	17,705,702
Other Financing Uses								
5.010 - Operating Transfers-Out	687,211	505,200	501,302	550,000	550,000	625,360	625,360	625,360
5.020 - Advances-Out	72,000	24,000	40,050	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	759,211	529,200	541,352	650,000	650,000	725,360	725,360	725,360
5.050 - Total Expenditures and Other Financing Uses	16,452,721	16,295,016	16,078,143	16,101,104	16,479,971	17,107,049	17,720,522	18,431,062
6.010 -Excess of Rev & Other Financing Uses Over(Under)								
Expenditures and Other Financing Uses	(173,503)	(950,920)	(1,190,014)	(1,114,122)	(1,398,165)	(1,887,039)	(2,338,346)	(2,852,677)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies	10,601,955	10,428,452	9,477,532	8,287,518	7,173,396	5,775,230	3,888,191	1,549,845
7.020 - Cash Balance June 30	10,428,452	9,477,532	8,287,518	7,173,396	5,775,230	3,888,191	1,549,845	(1,302,832)



# PIONEER CAREER & TECHNOLOGY CENTER

## FINANCIAL FORECAST ASSUMPTIONS

May 2014

**Preface** – The assumptions in this forecast are extremely important in understanding the report. Please read the following assumptions when analyzing the May, 2014, five-year forecast.

### **REVENUES**

**Real Estate Taxes (Line 1.01)** – Property tax revenue estimates are based on historical growth patterns, including scheduled reappraisals and updates. These estimates are substantiated by information provided for the upcoming fiscal year by the County Auditor. The property tax figures are also based on historical collection levels. Although delinquency collections were up in FY2013, those collections are not expected to continue to grow. Therefore, FY2014 are slightly lower than FY2013 actual. In the following years, projections slightly increase due to a slight projected increase in valuations.

**Tangible Personal Property Tax (Line 1.020)** – Included in this line item is the PUPP (Public Utilities Personal Property Tax). With the phase out of Tangible Personal Property Tax Revenues, the District suffered a loss of \$4,300,000 from the 10/31/2010 forecast.

**Unrestricted Grants-in-Aid (Line 1.035)** - New formulas for state foundation payments and the reports resulting from the implementation of H.B. 59 (State biennial budget) began in December, 2013. Although preliminary estimates from the State presented increases of overall (both Core and Career-Tech weighted) state foundation payments remain at the guarantee, meaning we will not be receiving any increase in state foundation payment. The increase in this line item includes casino revenues of \$100,000 and additional state payments from Open Enrollment and Associated Services. The increase in the total of unrestricted and restricted grants-in-aid from FY13 and FY14 is approximately \$179,000 of which \$100,000 is casino revenue.

**Restricted Grants-in-Aid (Line 1.040)** – In previous forecasts this amount was included in Unrestricted Grants (Line 1.035). This portion of State Foundation money is to be used to “develop more fully the academic and career and technical skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs”. With the implementation of H.B. 59, the weighted funds have decreased by \$411,253.



**Property Tax Allocation (Line 1.050)** – This line includes the payments from the State of Ohio for the 10% and 2.5% rollback of property taxes as well as the Homestead Exemption. Estimates are based on FY2013 actual receipts. This line item also includes a total of \$88,000 of TPP reimbursements which are scheduled to be received semi-annually.

**All Other Operating Revenues (Line 1.060)** – Items included on this line consist of interest earnings, cost-sharing payments made by partner school districts for satellite programs, payments in lieu of taxes by local companies due to tax abatement agreements and classroom fees and provider fees.

Revenue in lieu of taxes is no longer a major revenue factor.

After generating \$168,108 in FY12, and \$89,405 in FY13, it is expected that interest earnings will continue to fall to approximately \$70,000 in FY13 and steadily decline thereafter until FY16 when no investments are projected.

**Advances – In (Line 2.050)** – Advances-in and advances-out (loans to other funds) are dependent upon grant funding and cash flow and equate from year to year.

## ***EXPENDITURES***

**Personnel Services (Line 3.010)** – Negotiations between Pioneer Career and Technology Center and the Education Association of Pioneer took place in the spring of 2013. At that time a new two-year agreement to begin July 1, 2013, was reached and ratified. The salary increases of 3.5% in FY2014 and 2.5% in FY2015 and no step increases have been included in the forecast. The previous two-year contract included 0% raises for FY2012 and FY2013 with step increases. This forecast also presents an increase in salaries in each of FY16 through FY18 of which 4% are step increases and 1.5% are salary increases each year.

During FY12, a total of five staff members retired and were not replaced. One teacher retired and the program discontinued, but that program has been restored in FY14. By the end of FY13, 16 staff members retired and another three retired as of July 1, 2013. Of those 19 retirements, 5.5 were not be replaced. Most others have been replaced with employees lower on the pay schedule. So far in FY14 two classified employees have retired and been replaced with staff lower on the pay schedule. A total of 3 certified staff have notified the Board of Education of their intent to retire and all will be replaced with staff lower on the pay schedule.

In August, 2011, per OSFC directive, the District began charging 3.33 maintenance employees to the set-aside maintenance fund required by OSFC. Beginning in FY14, Pioneer will return those three employees to the General Fund as a result of an additional change in the directive of the

OSFC. This forecast reflects the salary of 1.33 of those employee salaries being charged back to the General Fund in FY14 and the remaining two being charged back in FY16.

**Employees Retirement & Fringe Benefits (Line 3.020)** – Retirement (14%), Medicare (1.45%) and Workers Compensation (.5890%) are expected to change respectively with changes in personnel services expenditures. Insurance premiums for fiscal year 2014 have decreased 15%. For FY2015 a 2% increase in health insurance premiums is projected with an additional 7% increase for FY15 through FY18.

**Purchased Services (Line 3.030)** – This category includes utility costs, mileage/meeting expenses, repairs and maintenance (not including charges to Fund 034), legal fees and property insurance along with other charges. Fiscal years 2014 through 2018 reflect a 3% inflationary increase.

**Supplies and Materials (Line 3.040)** – Expenses in this category have remained steady. Those expenses include textbooks, supplies, equipment and educational software. FY14 through FY18 reflect a 3% inflationary increase.

**Principal-Notes (Line 4.020)** – Included in this line item is the principal repayment of the Certificates of Participation issued on August 21, 2008, for the District's share of the OSFC renovation project.

**Principal-HB 264 Loans (Line 4.050)** – This line item is the principal payment of the Energy Conservation Bonds issued in 2000. This debt will be retired in FY16. Energy savings generated by the HB264 project improvements will be used to retire the debt. These savings are factored into the estimate for the "Purchased Services" category.

**Interest and Fiscal Charges (Line 4.060)** – The interest payments for the Line 4.020 and Line 4.050 are included in this line item. FY14 includes \$9,009 in interest for the Energy Savings Bonds and \$526,575 in interest for the OSFC renovation project Certificates of Participation.

**Other Objects (Line 4.300)** – A large portion of the expenditures reflected in this category are related to County Auditor fees associated with the collection of real estate and tangible taxes and State audit fees. FY13 -17 include a 5% increase for inflation.

**Operating Transfers – Out (Line 5.010)** – Transfers of \$500,000 from the General Fund are made to the Permanent Improvement Fund (003) each year in FY14 and FY15 for building improvements and equipment upgrades. Beginning in FY16 \$200,000 will continue to be transferred to the Permanent Improvement Fund (003) and \$425,000 per year will be transferred to the OSFC set-aside Maintenance Fund (034). Until FY15 Fund 034 will be funded by the 070 Capital Projects Fund which as of fiscal year-end 2013 had an unencumbered

balance of \$1,313,223.27. This fund originally was created for use in the renovation when needed. After the FY2014 and FY 2015 transfers of \$425,360 from the Capital Projects Fund (070) to the OSFC Maintenance Fund (034) are complete, the remaining balance in the Capital Projects Fund (070) will be approximately \$460,000. Since the renovation project is not yet closed, the school desires to keep this balance of \$460,000 in the Capital Projects Fund (070) until the project is final.

**Advances – Out (Line 5.020)** – These are loans to funds that have a cash deficit at fiscal year-end and are returned to the operating fund at the beginning of the new fiscal year. They are mirrored in the line item 2.050 – Advances-In.

**Excess of Revenues over (under) Expenditures(line 6.010)**

This line represents the difference between revenues and expenditures for the fiscal year. A negative number reveals deficit spending for that specific fiscal year.

**Encumbrances (Line 8.010)** – Estimate of requisitions placed but not paid for.

**Unreserved Fund Balance June 30(Line 15.010)** – This line represents the forecasted unreserved cash balance in the General Fund at the end of the fiscal year

Please direct any questions to:

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Please visit the Ohio Department of Education website at  
<ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>