



FIVE YEAR FORECAST

*FISCAL YEARS
2015 – 2019*

October 20, 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 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Revenue:								
1.010 - General Property Tax (Real Estate)	3,753,080	3,926,874	3,930,651	3,950,070	3,986,344	3,987,893	4,031,844	4,091,025
1.020 - Public Utility Personal Property	346,912	245,126	240,057	308,600	310,143	311,694	313,252	314,819
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,705,241	6,881,262	7,091,647	6,827,118	6,781,907	7,036,486	7,163,316	7,291,739
1.040 - Restricted Grants-in-Aid	-	2,834,868	2,590,577	2,636,448	2,716,028	2,748,087	2,789,070	2,819,461
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	978,829	689,888	699,043	697,658	696,009	698,256	699,377	702,645
1.060 - All Other Operating Revenues	420,006	261,056	430,745	868,386	881,070	893,881	906,820	919,888
1.070 - Total Revenue	15,204,068	14,839,074	14,982,720	15,288,280	15,371,501	15,676,297	15,903,679	16,139,576
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	491	-	-	-	-	-	-	-
2.050 - Advances-In	72,000	24,000	40,050	65,000	75,000	75,000	75,000	75,000
2.060 - All Other Financing Sources	67,537	25,055	55,882	24,000	24,000	24,000	24,000	24,000
2.070 - Total Other Financing Sources	140,028	49,055	95,932	89,000	99,000	99,000	99,000	99,000
2.080 - Total Revenues and Other Financing Sources	15,344,096	14,888,129	15,078,652	15,377,280	15,470,501	15,775,297	16,002,679	16,238,576
Expenditures:								
3.010 - Personnel Services	9,100,883	8,974,040	8,356,139	8,620,042	9,113,145	9,608,868	10,131,856	10,683,608
3.020 - Employees' Retirement/Insurance Benefits	3,752,107	3,697,196	3,260,184	3,302,540	3,489,383	3,684,186	3,891,431	4,111,925
3.030 - Purchased Services	1,387,833	1,297,742	1,650,906	1,700,433	1,751,446	1,803,990	1,858,109	1,913,853
3.040 - Supplies and Materials	494,415	534,487	471,591	485,739	500,311	515,320	530,780	546,703
3.050 - Capital Outlay	-	-	-	-	-	-	-	-
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	290,000	295,000	310,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	260,000	270,000	280,000	290,000	300,000
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	60,000	65,000	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	557,839	547,122	535,696	522,559	508,309	495,400	484,000	472,200
4.300 - Other Objects	182,739	191,204	188,536	197,963	207,861	218,254	224,802	231,546
4.500 - Total Expenditures	15,765,816	15,536,791	14,773,052	15,149,276	15,905,456	16,606,018	17,410,978	18,259,834
Other Financing Uses								
5.010 - Operating Transfers-Out	505,200	501,302	506,600	550,000	825,360	825,360	825,360	825,360
5.020 - Advances-Out	24,000	40,050	65,000	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	529,200	541,352	571,600	650,000	925,360	925,360	925,360	925,360
5.050 - Total Expenditures and Other Financing Uses	16,295,016	16,078,143	15,344,652	15,799,276	16,830,816	17,531,378	18,336,338	19,185,194
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(950,920)	(1,190,014)	(266,000)	(421,996)	(1,360,314)	(1,756,081)	(2,333,658)	(2,946,617)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	10,428,452	9,477,532	8,287,518	8,021,518	7,599,522	6,239,208	4,483,128	2,149,469
7.020 - Cash Balance June 30	9,477,532	8,287,518	8,021,518	7,599,522	6,239,208	4,483,128	2,149,469	(797,148)
8.010 - Estimated Encumbrances June 30	294,915	207,812	297,673	300,000	300,000	300,000	300,000	300,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	9,182,617	8,079,706	7,723,845	7,299,522	5,939,208	4,183,128	1,849,469	(1,097,148)



PIONEER CAREER & TECHNOLOGY CENTER

FINANCIAL FORECAST ASSUMPTIONS

October, 2014

Preface – The five-year forecast is used to project expected General Fund revenues and expenditures over the duration of the five year period. The forecast is completed using assumptions that management believes are significant in developing the forecast. The assumptions in this forecast are extremely important in understanding the report. Please read the following assumptions when analyzing the October, 2014, five-year forecast. Differences in the forecasted amounts and the actual amounts may arise due to unexpected circumstances and events or changes to State law. These differences could be material and would be reflected in the subsequent 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.

In 1976, the Ohio House passed HB 920. This credit effectively freezes all voted real property millage at the dollar amount collected the first year the levy went into effect. Simply meaning, no more money is collected on the levy than was collected the very first year, except taxes that would be collected on new construction. As a result, costs rise, but tax collections do not. As property values rise through reappraisals, the outside millage rate is commonly referred to as "effective" millage". As a Career-Tech school district, Pioneer has no "inside millage". The following are Pioneer Career & Technology Center's voted and effective tax rates.

History of voted Millage	Voted Millage	2014 Effective Rate	
		Class 1	Class 2
1 mill reduced to .85 (1970 continuing)	.85	.4076	.4551
1 mill reduced to .85 (1976 continuing)	.85	.4076	.4551
1 mill (1980 continuing)	1.00	.6030	.7585
1 mill (1983 continuing)	1.00	.6588	.9253
Totals	3.70	2.0771	2.5940

Public Utility 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 approximately \$5,200,000 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 remained at the guarantee for FY14, meaning we did not receive any increase in state basic foundation payment. With the implementation of the new formula came changes in posting of the revenues. Line 1.035 now includes State Foundation revenues from the Opportunity Grant (formerly State Foundation), Special Education Additional funding, Limited English Proficiency funding and casino revenues. No longer included on this line are Open Enrollment, Associated Services and Other Adjustments. These are now included on Line 1.06. Economic Disadvantaged funding is now included in Line 1.04. Therefore, we show a decrease in Line 1.035 revenues, a small increase in Line 1.04 revenues and an increase in Line 1.06 revenues.

In FY15, the State again is implementing a new calculation for State funding. In past years, student count was taken once a year during the first week of October. Beginning in FY15, the State will be using reported student data three times per year. Because of the uncertainty of the effect of this new program, Pioneer has projected small increases in all of the state funding categories.

Restricted Grants-in-Aid (Line 1.040) – 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 in FY14, the weighted funds decreased by \$244,291. Also, with the changes in reporting of revenues, this line now includes the Economic Disadvantaged funding.

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 Open Enrollment Adjustment, Associated Services and Other Adjustments which are all payments from the State. Also, included on this line are interest earnings, manufactured home taxes, cost-sharing payments made by partner schools and classroom fees and provider fees. After

generating \$168,108 in FY12, and \$89,405 in FY13, and \$54,407 in FY14, it is expected that interest earnings will continue to fall and steadily decline thereafter until FY18 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 FY19 of which 4% are step increases and 1.5% are salary increases each year. Pioneer and The Education Association of Pioneer will again be in negotiations in the Spring of 2015.

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 replaced. Most others have been replaced with employees lower on the pay schedule. In FY14, seven staff members retired and two staff members resigned. All will be replaced with staff lower on the pay schedule. Also, in FY15, Pioneer added a new DD unit which resulted in the addition of a teacher and an aide.

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 began to 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 decreased 15% and premiums will remain the same for FY15. This forecast provides for a 7% increase per year for FY16 through FY19. The School District is self-insured and is a long-standing member of the Jefferson Health Plan Consortium.

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 2019 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 FY19 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. FY15 includes \$5,559 in interest for the Energy Savings Bonds and \$517,000 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 and 3% in FY18 and FY19.

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 \$400,000 will continue to be transferred to the Permanent Improvement Fund (003) and \$425,360 per year will be transferred to the OSFC set-aside Maintenance Fund (034). Through FY15, Fund 034 will be funded by the 070 Capital Projects Fund which as of fiscal year-end 2014 had an unencumbered balance of \$878,537.02. 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 \$450,000. Since the renovation project is not yet closed, the school desires to keep this balance of \$450,000 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/>