



FIVE YEAR FORECAST

*FISCAL YEARS
2016 – 2020*

October 19, 2015

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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 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Revenue:								
1.010 - General Property Tax (Real Estate)	3,926,874	3,930,651	4,932,280	5,719,808	5,723,127	5,727,229	5,737,407	5,742,712
1.020 - Public Utility Personal Property	245,126	240,057	392,607	387,222	398,239	409,586	418,308	423,280
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,881,262	7,091,647	6,508,656	6,621,082	6,795,385	6,898,706	7,018,629	7,138,713
1.040 - Restricted Grants-in-Aid	2,834,868	2,590,577	2,672,235	2,604,518	2,696,860	2,756,380	2,823,761	2,892,734
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	689,888	699,043	647,955	508,010	510,305	512,609	514,923	517,247
1.060 - All Other Operating Revenues	261,056	430,745	759,783	764,773	767,270	767,768	769,766	772,264
1.070 - Total Revenue	14,839,074	14,982,720	15,913,516	16,605,414	16,891,185	17,072,278	17,282,794	17,486,949
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	24,000	40,050	65,000	78,500	75,000	75,000	75,000	75,000
2.060 - All Other Financing Sources	25,055	55,882	156,271	24,000	24,000	24,000	24,000	24,000
2.070 - Total Other Financing Sources	49,055	95,932	221,271	102,500	99,000	99,000	99,000	99,000
2.080 - Total Revenues and Other Financing Sources	14,888,129	15,078,652	16,134,787	16,707,914	16,990,185	17,171,278	17,381,794	17,585,949
Expenditures:								
3.010 - Personnel Services	8,974,040	8,356,139	8,621,448	8,964,091	9,213,533	9,468,588	9,612,274	9,757,397
3.020 - Employees' Retirement/Insurance Benefits	3,697,196	3,260,184	3,145,304	3,425,050	3,743,059	4,095,325	4,408,962	4,751,887
3.030 - Purchased Services	1,297,742	1,650,906	1,623,893	1,672,610	1,722,788	1,774,472	1,827,706	1,882,537
3.040 - Supplies and Materials	534,487	471,591	427,710	440,541	453,758	467,370	481,391	495,833
3.050 - Capital Outlay	-	-	-	-	-	-	-	-
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	295,000	310,000	320,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	270,000	330,000	340,000	350,000	440,000
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	65,000	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	547,122	535,696	522,559	449,247	394,695	382,545	369,870	354,801
4.300 - Other Objects	191,204	188,536	229,785	241,274	253,338	260,938	268,766	276,829
4.500 - Total Expenditures	15,536,791	14,773,052	14,890,699	15,527,813	16,111,171	16,789,239	17,318,970	17,959,284
Other Financing Uses								
5.010 - Operating Transfers-Out	501,302	506,600	503,325	825,360	825,360	825,360	825,360	825,360
5.020 - Advances-Out	40,050	65,000	78,500	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	541,352	571,600	581,825	925,360	925,360	925,360	925,360	925,360
5.050 - Total Expenditures and Other Financing Uses	16,078,143	15,344,652	15,472,524	16,453,173	17,036,531	17,714,599	18,244,330	18,884,644
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(1,190,014)	(266,000)	662,263	254,740	(46,346)	(543,321)	(862,535)	(1,298,695)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	9,477,532	8,287,518	8,021,518	8,683,781	8,938,521	8,892,176	8,348,855	7,486,320
7.020 - Cash Balance June 30	8,287,518	8,021,518	8,683,781	8,938,521	8,892,176	8,348,855	7,486,320	6,187,625
8.010 - Estimated Encumbrances June 30	207,812	297,673	291,116	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	8,079,706	7,723,845	8,392,665	8,638,521	8,592,176	8,048,855	7,186,320	5,887,625



PIONEER CAREER & TECHNOLOGY CENTER

FINANCIAL FORECAST ASSUMPTIONS

Oct, 2015

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, 2015, 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 the "effective" rate. In November, 2014, Pioneer successfully combined the 1970 levy and 1976 levy to form a replacement levy for the total millage of the prior levies of 1.7mills. 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 (1980 continuing)	1.00	.58	.76
1 mill (1983 continuing)	1.00	.63	.93
1.7 mill (2014 continuing)(replacement)	1.70	1.62	1.70
Totals	3.70	2.83	3.39

Public Utility Personal Property Tax (Line 1.020) – Included in this line item is the PUPP (Public Utilities Personal Property Tax).

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 in State funding, state foundation payments remained at the guarantee level for FY14 and FY15 (meaning no 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.

In FY15, the State again implemented a change in the calculation for State funding. In previous years, student enrollment was calculated from the ADM count taken during the first full week of October. Starting in FY15, annualized enrollment that is updated three times per year was implemented. This new count is not three separate counts. It is a count of students enrolled in the district over the course of the entire year on a full time equivalency basis. Because of the uncertainty of the effect of this new design, Pioneer has projected no increases in any of the state basic funding. All state basic foundation funding remains at the Guarantee level.

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”. Beginning in FY17, this Career Tech funding will be calculated outside the Guarantee. This means in fiscal years following FY16, if Pioneer’s Career Tech funding should increase, revenues would increase. Likewise, should career-tech funding decrease, revenues would decrease. Pioneer has chosen to keep this amount at guarantee levels under the same assumptions as the Core Foundation (line 1.035). 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. Due to the passage of the replacement levy in November, 2014, this line item includes a decrease in revenues since new legislation has shifted some of these payments from the State to the homeowner. The decrease in this line item is reflected in the increase in Line 1.01. In previous years, this line item also included \$88,000 of TPP reimbursements. This reimbursement has been discontinued with the most recent biennial budget.

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.

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 May of 2015. At that time a new three-year agreement to begin July 1, 2015, was reached and ratified. The salary increases of 2.0% in FY2016 and 2.25% in FY2017 and 2.25% in FY2018 and Step increases are also a part of the agreement. These amounts are all included in the forecast. The previous two-year contract included 2.5% and 3% raises with no steps for FY2014 and FY2015. The salaries for FY2019 and FY2020 include a 1.00% increase with steps.

In August, 2011, per OFCC directive, the District began charging 3.33 maintenance employees to the set-aside maintenance fund (034) required by OFCC. 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 OFCC. This forecast reflects the salary of the remaining two maintenance employees being charged back into the General Fund 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. FY16 increase is shown at the actual increase of 4.5%. This forecast provides for a 12% increase per year for FY17 and FY18 and 10% increases for FY19 and FY20. 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 2016 through 2020 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. FY16 through FY20 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. In March of 2015 the original COPS issued was refinanced saving the district \$458,397 over the remaining 20 years of the issue.

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 December, 2015, of 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. FY16 includes \$1,909 in interest for the Energy Savings Bonds and \$447,338 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. FY16-17 includes a 5% increase for inflation and 3% in FY18 thru FY20.

Operating Transfers – Out (Line 5.010) – Transfers of \$400,000 from the General Fund are made to the Permanent Improvement Fund (003) in FY16 thru FY20 for building improvements and equipment upgrades. Beginning in FY16 \$425,360 per year will be transferred from the General Fund to the OSFC set-aside Maintenance Fund (034). Through FY15, Fund 034 was funded by the 070 Capital Projects Fund. This fund originally was created for use when needed during the renovation. With the FY 2015 transfer of \$425,360 from the Capital Projects Fund (070) to the OSFC Maintenance Fund (034) complete, the remaining balance in the Capital Projects Fund (070) is \$450,435.52. Since the renovation project is not yet closed, the school desires to keep this balance 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/>