



FIVE YEAR FORECAST

**FISCAL YEARS
2019-2023**

October 15, 2018

*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 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue:								
1.010 - General Property Tax (Real Estate)	5,770,601	5,705,107	5,819,178	5,805,227	5,979,622	6,000,495	6,010,078	5,967,878
1.020 - Public Utility Personal Property	443,481	494,708	568,346	703,934	718,512	738,686	759,566	770,186
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,936,216	7,346,876	7,420,994	7,459,914	7,641,689	7,852,145	8,056,353	8,227,599
1.040 - Restricted Grants-in-Aid	2,981,044	3,608,454	3,634,380	3,606,734	3,855,747	3,857,346	3,904,895	3,939,660
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	499,016	487,831	485,476	486,840	489,002	491,182	492,264	492,264
1.060 - All Other Operating Revenues	991,263	1,267,378	1,353,249	1,459,286	1,519,786	1,530,286	1,520,786	1,511,286
1.070 - Total Revenue	17,621,621	18,910,354	19,281,623	19,521,935	20,204,358	20,470,140	20,743,942	20,908,873
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	10,806	-	-	-	-	-	-
2.050 - Advances-In	78,500	91,500	87,000	118,000	75,000	75,000	75,000	75,000
2.060 - All Other Financing Sources	82,604	136,975	107,858	120,000	120,000	120,000	120,000	120,000
2.070 - Total Other Financing Sources	161,104	239,281	194,858	238,000	195,000	195,000	195,000	195,000
2.080 - Total Revenues and Other Financing Sources	17,782,725	19,149,635	19,476,481	19,759,935	20,399,358	20,665,140	20,938,942	21,103,873
Expenditures:								
3.010 - Personnel Services	8,704,815	9,030,046	9,594,378	10,313,880	10,769,227	11,092,612	11,604,264	11,834,349
3.020 - Employees' Retirement/Insurance Benefits	3,442,332	3,728,814	4,170,873	4,353,938	4,554,182	4,739,604	4,961,919	5,146,052
3.030 - Purchased Services	1,690,053	1,937,753	2,071,626	2,144,775	2,209,118	2,275,392	2,343,654	2,413,964
3.040 - Supplies and Materials	535,795	507,428	524,459	563,193	580,089	597,492	615,417	633,880
3.050 - Capital Outlay	-	-	-	-	-	-	-	-
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	335,000	330,000	340,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	350,000	367,400	380,481	409,700	435,000
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	449,247	394,695	382,545	369,870	354,801	332,973	298,039	285,139
4.300 - Other Objects	235,518	218,301	242,511	305,786	314,960	324,409	334,141	344,165
4.500 - Total Expenditures	15,392,760	16,147,037	17,326,392	18,401,442	19,149,777	19,742,963	20,567,134	21,092,549
Other Financing Uses								
5.010 - Operating Transfers-Out	827,249	857,307	855,439	825,360	825,360	825,360	825,360	825,360
5.020 - Advances-Out	91,500	87,000	118,000	75,000	75,000	75,000	75,000	75,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	918,749	944,307	973,439	900,360	900,360	900,360	900,360	900,360
5.050 - Total Expenditures and Other Financing Uses	16,311,509	17,091,344	18,299,831	19,301,802	20,050,137	20,643,323	21,467,494	21,992,909
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	1,471,216	2,058,291	1,176,650	458,133	349,221	21,817	(528,552)	(889,036)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	8,683,781	10,154,997	12,213,288	13,389,938	13,848,071	14,197,292	14,219,109	13,690,557
7.020 - Cash Balance June 30	10,154,997	12,213,288	13,389,938	13,848,071	14,197,292	14,219,109	13,690,557	12,801,520



PIONEER CAREER & TECHNOLOGY CENTER

FINANCIAL FORECAST ASSUMPTIONS

October, 2018

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, 2018, 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.

Pioneer Career & Technology Center strives to be fiscally responsible so that our students receive the necessary instruction, tools and support to prepare them to enter the workforce or enroll in a college of their choice. In order to provide exemplary services to our students we evaluate our financial position on a constant basis.

REVENUES

Real Estate Taxes (Line 1.01) – In November, 2014, Pioneer successfully combined a 1970 levy and a 1976 levy to form a replacement levy for the total millage of these prior levies of 1.7mills. The following are Pioneer Career & Technology Center's voted and effective tax rates for collection year 2018.

History of voted Millage	Voted Millage	2018 Effective Rate	
		Class 1	Class 2
1 mill (1980 continuing)	1.00	.55	.77
1 mill (1983 continuing)	1.00	.61	.94
1.7 mill (2014 continuing) (replacement)	1.70	1.57	1.68
Totals	3.70	2.73	3.39

Property Tax revenues for FY 2018 decreased from the previous forecast mostly due to a decrease in delinquent tax revenue collections for Fall, 2017 and Spring, 2018. The remainder of the forecast has been adjusted to show this decrease in delinquent tax revenue collections.

Public Utility Personal Property Tax (Line 1.020) – Included in this line item is the PUPP (Public Utilities Personal Property Tax). With the completion of a portion of the Rover Pipeline in

Crawford and Richland counties, a modest increase in PUPP revenues has been included for FY 2019-2023. Actual valuations will not be published by the State until October, 2018. At that time Pioneer will determine a more accurate revenue calculation for forecasting.

Unrestricted Grants-in-Aid (Line 1.035) - Unrestricted Grants-In-Aid represented 38.17% of Total Revenues in FY 2018. Adding Unrestricted Grants-in Aid to Restricted Grants-in Aid made up 56.76% of Total Revenues in FY2018 making this Pioneer's largest revenue stream.

Unrestricted Grants-in-Aid is funding received from the state according to the current state formula for our school district. The new biennial budget for FY2018 and FY2019 was approved by the legislature on June 30, 2017. The current formula is affected by a number of factors, including Average Daily Membership (ADM), 3 year average total district property valuation, and State Share percentage. The State budget provides per pupil funding for FY2019 at \$6,020. Pioneer's State Share Percentage is approximately 84%, which means Pioneer receives \$5,057 in Core Funding per pupil ($\$6,020 \times 84\%$) in FY 2019. Pioneer realized an increase in Formula ADM in FY 2018 by 40 student FTEs. Currently, Pioneer projects a decrease of 35 student FTEs in FY 2019. The district's enrollment looks to level out in FY 2020 and beyond. It is important to note, the State budget for FY 2018 and FY 2019 caps the maximum increase at 3% and 5.5% in FY 2018 and 3% and 6% in FY 2019 based on the percentage of increase in enrollment of the district. Since Pioneer will not see an increase in enrollment, they will not be subject to the Cap, but will be fully funded on the formula. Therefore, this forecast shows a minimal increase in the Unrestricted State Foundation for Pioneer in FY 2019 and only a nominal increase for the remainder of the years of the forecast.

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”. The new State budget provides for Career Tech Weighted Funding being calculated outside the Guarantee and Cap. For Pioneer this means the District's career-tech weighted funding amounts will decrease due to actual enrollment decline in FY 2019. For the years following, the forecast projects flat enrollment for career-tech weighted funding with a slight increase in the per pupil amount. 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.

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,

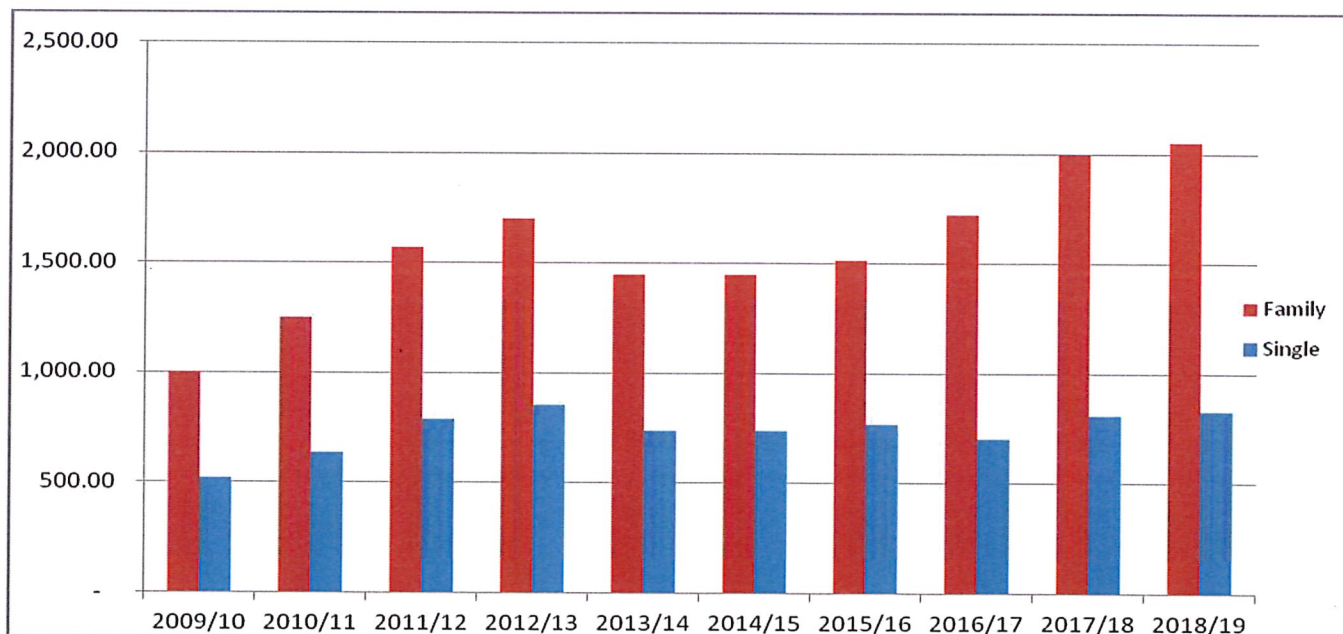
cost-sharing payments made by partner schools and classroom fees and provider fees. Open enrollment numbers are expected to increase slightly in FY2019 which will increase this line item for FY19. It is forecasted that interest revenue will increase dramatically as the cash balance grows the next 2 years and interest rates are projected to increase throughout the forecast.

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 & Technology Center and the EAP took place in May, 2018 and a three-year agreement has been ratified. The negotiated salaries for Fiscal Years 2019 and 2020 include a 2.50% increase with steps, and a 2% increase with steps in FY 2021. For FY2022 and FY2023 an increase of 2% with steps has been included in this forecast. New salaries included in the FY2019 forecasts are \$156,000.

Employee Retirement & Fringe Benefits (Line 3.020) – Retirement (14%), Medicare (1.45%) and Workers Compensation (.5296%) are expected to change respectively with changes in personnel services expenditures. Insurance premiums for FY 2014 decreased 15%, and premiums for FY 2015 remained the same. Health insurance premiums in FY 2018 increased 16.99%. This forecast provides for a 2.73% increase for FY 2019, and a 5% increase for FY 2020-2023. With the new negotiated agreement, employees began paying 12% of the medical insurance premiums in FY2019 (up from 10% in the FY 2015-2018 contract which ended in July, 2018). The School District is self-insured and is a long-standing member of the Jefferson Health Plan Consortium. The following graph shows the 10 year history of insurance rates for Pioneer.



Purchased Services (Line 3.03) - 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 2019 through 2023 reflect a 3% inflationary increase in basic expenditures for purchased services. The more significant increase from FY2016 to FY2017 is a result of the Ohio Department of Education's activation of the deduction of College Credit Plus payments from the State Foundation Payments made to Pioneer. A total of \$533,311 was deducted from the Pioneer State Foundation payment for FY2018 for the College Credit Plus program. This amount is carried through to each fiscal year of the remainder of the forecast.

Supplies and Materials (Line 3.040) – Expenses in this category have remained steady. Those expenses include textbooks, supplies, equipment and educational software. Fiscal Years 2019 through 2023 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 and the refinanced COPS issued in March of 2015 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.

Interest and Fiscal Charges (Line 4.060) – Payments on this line are made for the interest on 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. An increase for inflation of 3% is projected in fiscal years 2019 through 2023.

Operating Transfers – Out (Line 5.010) – Transfers of \$400,000 from the General Fund are made to the Permanent Improvement Fund (003) in FY 2019 thru FY 2023 for building improvements and equipment upgrades. Beginning in FY 2016, \$425,360 per year is transferred from the General Fund to the OSFC set-aside Maintenance Fund (034). Through FY 2015, Fund 034 was funded by the 070 Capital Projects Fund.

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/>