

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

		FORECASTED				
	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)	3,930,651	5,001,146	5,759,278	5,799,366	5,840,700	5,882,324
1.020 - Public Utility Personal Property	240,057	334,813	362,569	364,119	365,678	367,244
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,091,647	6,687,057	6,662,218	6,647,317	6,629,654	6,674,493
1.040 - Restricted Grants-in-Aid	2,590,577	2,532,443	2,562,282	2,582,183	2,599,846	2,620,628
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	699,043	525,303	480,239	480,541	476,880	472,255
1.060 - All Other Operating Revenues	430,745	709,408	720,502	731,707	743,024	754,455
1.070 - Total Revenue	14,982,720	15,790,170	16,547,087	16,605,234	16,655,782	16,771,398
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	40,050	65,000	75,000	75,000	75,000	75,000
2.060 - All Other Financing Sources	55,882	24,000	24,000	24,000	24,000	24,000
2.070 - Total Other Financing Sources	95,932	89,000	99,000	99,000	99,000	99,000
2.080 - Total Revenues and Other Financing Sources	15,078,652	15,879,170	16,646,087	16,704,234	16,754,782	16,870,398
Expenditures:						
3.010 - Personnel Services	8,356,139	8,660,042	8,994,243	9,319,364	9,651,799	9,991,715
3.020 - Employees' Retirement/Insurance Benefits	3,260,184	3,308,960	3,476,835	3,609,408	3,780,938	3,961,940
3.030 - Purchased Services	1,650,906	1,700,433	1,751,446	1,803,990	1,858,109	1,913,853
3.040 - Supplies and Materials	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	310,000	-	-	-	-	-
4.020 - Principal - Notes	-	260,000	270,000	330,000	340,000	350,000
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	535,696	524,912	449,247	394,695	382,545	369,870
4.300 - Other Objects	188,536	216,816	227,657	239,040	246,211	253,598
4.500 - Total Expenditures	14,773,052	15,216,903	15,734,740	16,211,816	16,790,382	17,387,678
Other Financing Uses						
5.010 - Operating Transfers-Out	506,600	550,000	825,360	825,360	825,360	825,360
5.020 - Advances-Out	65,000	75,000	75,000	75,000	75,000	75,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	571,600	625,000	900,360	900,360	900,360	900,360
5.050 - Total Expenditures and Other Financing Uses	15,344,652	15,841,903	16,635,100	17,112,176	17,690,742	18,288,038
Excess of Rev & Other Financing Uses Over (Under)						
6.010 - Expenditures and Other Financing Uses	(266,000)	37,267	10,987	(407,942)	(935,960)	(1,417,640)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	8,287,518	8,021,518	8,058,785	8,069,773	7,661,830	6,725,870
7.020 - Cash Balance June 30	8,021,518	8,058,785	8,069,773	7,661,830	6,725,870	5,308,230
8.010 - Estimated Encumbrances June 30	297,673	300,000	300,000	300,000	300,000	300,000
Fund Balance June 30 for Certification						
10.010 - of Appropriations	7,723,845	7,758,785	7,769,773	7,361,830	6,425,870	5,008,230



PIONEER CAREER & TECHNOLOGY CENTER

FINANCIAL FORECAST ASSUMPTIONS

May, 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 May, 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 "effective" millage". As a Career-Tech school district, Pioneer has no "inside millage". 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 reduced to .85	.85	(1970 continuing, replacement levy, 2014)	
1 mill reduced to .85	.85	(1976 continuing, replacement levy, 2014)	
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). With the phase out of Tangible Personal Property Tax Revenues, the District suffered a loss of approximately \$1,200,000 per fiscal year since 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 implemented 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 no increases in all of the Core state funding. All Core funding remains at the Guarantee level. As of the May, 2015 estimates from the State, Pioneer has again lost approximately \$100,000 in State funding.

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”. 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. 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 steadily decline through at least FY16.

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 include a 2.25% increase with steps.

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. FY16 increase is estimated to be 4.5%. This forecast provides for a 5% increase per year for FY17 and 7% increases for FY18 & 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 2015 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. FY15 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. 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 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 \$519,353 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) in 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:

Linda K. Schumacher, Treasurer

Pioneer Career & Technology Center

Email address: schumacher.linda@pctc.k12.oh.us

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