

FIVE YEAR FORECAST

*FISCAL YEARS
2018 – 2022*

October 16, 2017

*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 2015 | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 |
| Revenue: | | | | | | | | |
| 1.010 - General Property Tax (Real Estate) | 4,932,280 | 5,770,601 | 5,705,107 | 5,718,928 | 5,748,678 | 5,793,636 | 5,814,602 | 5,823,624 |
| 1.020 - Public Utility Personal Property | 392,607 | 443,481 | 494,708 | 518,477 | 537,309 | 556,801 | 576,975 | 597,856 |
| 1.030 - Income Tax | - | - | - | - | - | - | - | - |
| 1.035 - Unrestricted Grants-in-Aid | 6,508,656 | 6,936,216 | 7,346,876 | 7,676,831 | 7,767,690 | 7,880,673 | 8,019,869 | 8,145,392 |
| 1.040 - Restricted Grants-in-Aid | 2,672,235 | 2,981,044 | 3,608,454 | 3,774,293 | 3,941,256 | 3,986,451 | 4,034,408 | 4,075,953 |
| 1.045 - Restricted Federal Grants-in-Aid - SFSF | - | - | - | - | - | - | - | - |
| 1.050 - Property Tax Allocation | 647,955 | 499,016 | 487,831 | 484,366 | 486,492 | 488,660 | 490,846 | 491,931 |
| 1.060 - All Other Operating Revenues | 759,783 | 991,263 | 1,267,378 | 1,238,452 | 1,243,452 | 1,248,452 | 1,238,452 | 1,238,452 |
| 1.070 - Total Revenue | 15,913,516 | 17,621,621 | 18,910,354 | 19,411,346 | 19,724,878 | 19,954,674 | 20,175,153 | 20,373,208 |
| Other Financing Sources: | | | | | | | | |
| 2.040 - Operating Transfers-In | - | - | 10,806 | - | - | - | - | - |
| 2.050 - Advances-In | 65,000 | 78,500 | 91,500 | 87,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| 2.060 - All Other Financing Sources | 156,271 | 82,604 | 136,975 | 120,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| 2.070 - Total Other Financing Sources | 221,271 | 161,104 | 239,281 | 207,000 | 185,000 | 185,000 | 185,000 | 185,000 |
| 2.080 - Total Revenues and Other Financing Sources | 16,134,787 | 17,782,725 | 19,149,635 | 19,618,346 | 19,909,878 | 20,139,674 | 20,360,153 | 20,558,208 |
| Expenditures: | | | | | | | | |
| 3.010 - Personnel Services | 8,621,448 | 8,704,815 | 9,030,046 | 9,660,972 | 10,052,191 | 10,451,235 | 10,858,260 | 11,273,425 |
| 3.020 - Employees' Retirement/Insurance Benefits | 3,145,304 | 3,442,332 | 3,728,814 | 4,206,916 | 4,658,737 | 5,021,040 | 5,414,449 | 5,841,974 |
| 3.030 - Purchased Services | 1,623,893 | 1,690,053 | 1,937,753 | 2,081,886 | 2,144,342 | 2,208,672 | 2,274,933 | 2,343,181 |
| 3.040 - Supplies and Materials | 427,710 | 535,795 | 507,428 | 522,651 | 538,330 | 554,480 | 571,115 | 588,248 |
| Debt Service: | | | | | | | | |
| 4.010 - Principal-All Years | 320,000 | 335,000 | 330,000 | - | - | - | - | - |
| 4.020 - Principal - Notes | - | - | - | 340,000 | 350,000 | 367,400 | 380,481 | 409,700 |
| 4.060 - Interest and Fiscal Charges | 522,559 | 449,247 | 394,695 | 382,545 | 369,870 | 354,801 | 332,973 | 298,039 |
| 4.300 - Other Objects | 229,785 | 235,518 | 218,301 | 224,850 | 231,596 | 238,543 | 245,700 | 253,071 |
| 4.500 - Total Expenditures | 14,890,699 | 15,392,760 | 16,147,037 | 17,419,819 | 18,345,066 | 19,196,172 | 20,077,910 | 21,007,637 |
| Other Financing Uses | | | | | | | | |
| 5.010 - Operating Transfers-Out | 503,325 | 827,249 | 857,307 | 825,360 | 825,360 | 825,360 | 825,360 | 825,360 |
| 5.020 - Advances-Out | 78,500 | 91,500 | 87,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| 5.030 - All Other Financing Uses | - | - | - | - | - | - | - | - |
| 5.040 - Total Other Financing Uses | 581,825 | 918,749 | 944,307 | 900,360 | 900,360 | 900,360 | 900,360 | 900,360 |
| 5.050 - Total Expenditures and Other Financing Uses | 15,472,524 | 16,311,509 | 17,091,344 | 18,320,179 | 19,245,426 | 20,096,532 | 20,978,270 | 21,907,997 |
| Excess of Rev & Other Financing Uses Over (Under) | | | | | | | | |
| 6.010 - Expenditures and Other Financing Uses | 662,263 | 1,471,216 | 2,058,291 | 1,298,167 | 664,451 | 43,142 | (618,117) | (1,349,789) |
| Cash Balance July 1 - Excluding Proposed Renewal/ | | | | | | | | |
| 7.010 - Replacement and New Levies | 8,021,518 | 8,683,781 | 10,154,997 | 12,213,288 | 13,511,455 | 14,175,906 | 14,219,048 | 13,600,930 |
| 7.020 - Cash Balance June 30 | 8,683,781 | 10,154,997 | 12,213,288 | 13,511,455 | 14,175,906 | 14,219,048 | 13,600,930 | 12,251,141 |
| 8.010 - Estimated Encumbrances June 30 | 291,116 | 182,737 | 153,327 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Fund Balance June 30 for Certification | | | | | | | | |
| 10.010 - of Appropriations | 8,392,665 | 9,972,260 | 12,059,961 | 13,211,455 | 13,875,906 | 13,919,048 | 13,300,930 | 11,951,141 |



PIONEER CAREER & TECHNOLOGY CENTER

FINANCIAL FORECAST ASSUMPTIONS

October, 2017

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, 2017, 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 2017.

| History of voted Millage | Voted Millage | 201 Effective Rate | |
|--|---------------|--------------------|-------------|
| | | Class 1 | Class 2 |
| 1 mill (1980 continuing) | 1.00 | .55 | .77 |
| 1 mill (1983 continuing) | 1.00 | .60 | .94 |
| 1.7 mill (2014 continuing) (replacement) | 1.70 | 1.55 | 1.70 |
| Totals | 3.70 | 2.70 | 3.41 |

Property Tax revenues for FY 2017 decreased from the previous forecast mostly due to a decrease in delinquent tax revenue collections for Fall, 2016 and Spring, 2017. 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).

Unrestricted Grants-in-Aid (Line 1.035) - Unrestricted Grants-In-Aid represented 38.37% of Total Revenues in FY 2017. Adding Unrestricted Grants-in Aid to Restricted Grants-in Aid made up 57.21% of Total Revenues in FY 2017 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 FY 2018 and FY 2019 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 FY 2018 at \$6,010. Pioneer's State Share Percentage is approximately 84%, which means Pioneer receives \$5,048 in Core Funding per pupil ($\$6,010 \times 84\%$). Pioneer realized an increase in Formula ADM in FY 2017 by 90 student FTEs. Currently, Pioneer projects an increase of 35 student FTEs in FY 2018. 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. The District's enrollment has consistently increased. Therefore, this forecast shows an increase in the Unrestricted State Foundation for Pioneer in FY 2018 and FY 2019 at capped amounts and the remaining years of the forecast are budgeted at actual enrollment.

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 have increased by actual enrollment in FY 2018 and 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.

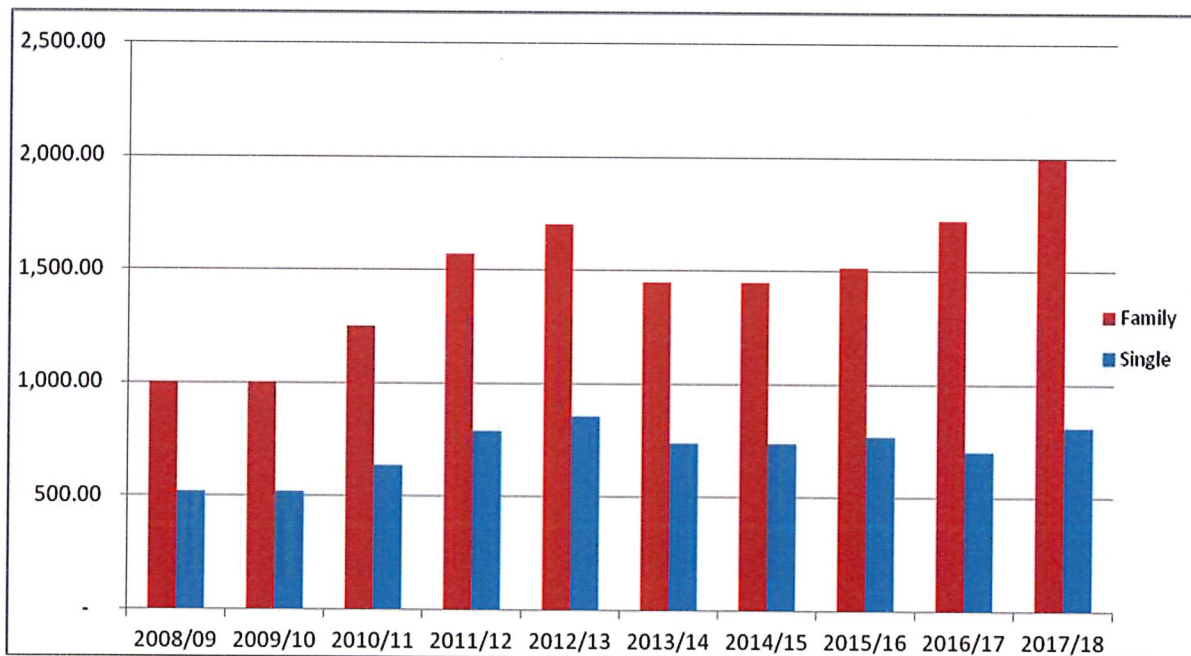
All Other Operating Revenues (Line 1.060) – Items included on this line consist of Open Enrollment Adjustment, Associated Services and Other Adjustments which are all payments from the State. Also, included on this line are interest earnings, manufactured home taxes, cost-sharing payments made by partner schools and classroom fees and provider fees. It is forecasted that interest revenue will increase slightly as the cash balance grows the next 2 years and interest rates are projected to increase slightly.

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) – Pioneer Career and Technology Center and the Education Association of Pioneer (EAP) are in the final year of the current negotiated agreement. Negotiations between Pioneer and the EAP will begin in the Spring of 2018. In this final year of the contract a 2.25% increase is forecasted for FY 2018 along with step increases. The salaries for Fiscal Years 2019 through 2022 include a 2.00% increase with steps. Also included in the FY2018 forecast is \$230,000 in new salaries.

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. Premiums in FY 2016 increased 4.5%, while premiums in FY 2017 increased 11.41% and premiums in FY 2018 increased 16.99%. This forecast provides for a 15% increase for FY 2019 and a 10% increase in premiums for each of Fiscal Years 2020 through 2022. All full time staff pays 10% of the premiums to participate. 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 3.030) - 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 2018 through 2022 reflect a 3% inflationary

increase in basic expenditures for purchased services. The more significant increase from FY 2016 to FY 2017 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. As total of \$477,920 was deducted from the Pioneer State Foundation payment for FY 2017 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 2018 through 2022 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 2018 through 2022.

Operating Transfers – Out (Line 5.010) – Transfers of \$400,000 from the General Fund are made to the Permanent Improvement Fund (003) in FY 2018 thru FY 2022 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. 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) at FY 2018 year-end is just below \$434,000. Since the renovation project is not yet closed, the Board 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:

Linda K. Schumacher, Treasurer

Pioneer Career & Technology Center

Email address: schumacher.linda@pioneerctc.edu

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