



FIVE YEAR FORECAST

FISCAL YEARS

2020-2024

May 18, 2020

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 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenue:								
1.010 - General Property Tax (Real Estate)	5,705,107	5,819,178	5,764,636	5,894,776	5,603,829	5,704,563	6,112,340	6,135,208
1.020 - Public Utility Personal Property	494,708	568,346	1,001,087	1,762,426	1,825,946	1,887,607	1,918,296	1,938,646
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,346,876	7,420,994	7,397,546	7,245,989	6,602,630	6,254,347	6,593,576	7,129,078
1.040 - Restricted Grants-in-Aid	3,608,454	3,634,380	3,516,427	3,515,131	3,163,618	3,039,588	3,234,272	3,398,769
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	487,831	485,476	487,122	376,617	378,313	379,826	381,146	382,460
1.060 - All Other Operating Revenues	1,267,378	1,353,249	1,601,571	1,716,746	1,547,571	1,506,071	1,508,571	1,548,571
1.070 - Total Revenue	18,910,354	19,281,623	19,768,389	20,511,685	19,121,907	18,772,002	19,748,201	20,532,732
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	91,500	87,000	118,000	47,000	75,000	75,000	75,000	75,000
2.060 - All Other Financing Sources	136,975	107,858	60,164	120,000	120,000	120,000	120,000	60,000
2.070 - Total Other Financing Sources	239,281	194,858	178,164	167,000	195,000	195,000	195,000	135,000
2.080 - Total Revenues and Other Financing Sources	19,149,635	19,476,481	19,946,553	20,678,685	19,316,907	18,967,002	19,943,201	20,667,732
Expenditures:								
3.010 - Personnel Services	9,030,046	9,594,378	9,887,924	10,532,622	10,891,274	11,241,517	11,502,932	11,868,961
3.020 - Employees' Retirement/Insurance Benefits	3,728,814	4,170,873	4,253,529	4,430,777	4,705,040	4,899,559	5,086,737	5,297,966
3.030 - Purchased Services	1,937,753	2,071,626	1,631,595	1,655,543	1,680,209	1,730,615	1,782,533	1,836,009
3.040 - Supplies and Materials	507,428	524,459	555,946	572,624	589,803	607,497	625,722	644,494
3.050 - Capital Outlay	-	-	-	-	-	-	-	-
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	330,000	340,000	350,000	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	367,400	380,481	409,700	435,000	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	394,695	382,545	369,870	354,801	325,323	298,039	285,139	285,139
4.300 - Other Objects	218,301	242,511	232,347	239,317	246,497	253,892	261,509	269,354
4.500 - Total Expenditures	16,147,037	17,326,392	17,281,211	18,153,084	18,818,627	19,440,819	19,979,572	20,636,923
Other Financing Uses								
5.010 - Operating Transfers-Out	857,307	855,439	825,360	825,360	825,360	825,360	825,360	825,360
5.020 - Advances-Out	87,000	118,000	47,000	75,000	75,000	75,000	75,000	75,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	944,307	973,439	872,360	900,360	900,360	900,360	900,360	900,360
5.050 - Total Expenditures and Other Financing Uses	17,091,344	18,299,831	18,153,571	19,053,444	19,718,987	20,341,179	20,879,932	21,537,283
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	2,058,291	1,176,650	1,792,982	1,625,241	(402,080)	(1,374,177)	(936,731)	(869,551)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	10,154,997	12,213,288	13,389,938	15,182,920	16,808,161	16,406,081	15,031,904	14,095,173
7.020 - Cash Balance June 30	12,213,288	13,389,938	15,182,920	16,808,161	16,406,081	15,031,904	14,095,173	13,225,622



PIONEER CAREER & TECHNOLOGY CENTER

FINANCIAL FORECAST ASSUMPTIONS

May, 2020

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, 2020, 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 in order for our students to 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) –The following are Pioneer Career & Technology Center's voted and effective tax rates for collection year 2019.

History of voted Millage Effective Rate	Voted Millage	2018	
		Class 1	Class 2
1 mill (1980 continuing)	1.00	.56	.76
1 mill (1983 continuing)	1.00	.61	.92
1.7 mill (2014 continuing) (replacement)	1.70	1.58	1.66
Totals	3.70	2.75	3.34

In this forecast Property Tax Revenues for FY 2020 increased slightly from the previous year primarily due to a minimal increase in Industrial and Commercial (Class II) valuations. Due to the current worldwide pandemic, a decrease in tax collections of 5% and 3% for FY2021 and FY2022, respectively, has been included in this forecast. FY2023 and beyond include a slight valuation increase and an increase in collection of delinquent property taxes.

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 put into service in 2017, Pioneer received an increase in PUPP tax revenues of approximately \$330,000 on an increase in valuation of \$132,000,000 in PUPP. With the completion of the entire pipeline in 2018, Pioneer will receive the remainder of the revenues from the remaining pipeline valuations. In the November, 2019, forecast the district chose to use a lower valuation to project revenues in its forecast. When the final valuations for the second half of the Rover Pipeline came out in December, 2019, from the Ohio Department of Taxation, Rover Pipeline filed an appeal of the values. The Ohio Department of Taxation has stated that it is their intention to deny the appeal by June 30, but this would probably not be the end of the appeal process. It is our understanding that Rover paid 50%, but that 50% was based on the full value. When they make their payment in July it will be based on paying the tax they feel they owe. So basically they have figured the amount they feel they owe and will subtract the first half settlement and pay the difference in July. The payment received in July should be significantly lower than the March payment.

Unrestricted Grants-in-Aid (Line 1.035) - Unrestricted Grants-in-Aid is funding received from the state according to the current state formula for our school district. The current Biennium Budget Bill (H.B.166) froze the State Basic Aid at fiscal year 2019 funding levels for 2020 - 2021.

H.B. 166 also provided for new funding for Student Wellness and Success in schools for the FY 2020 and FY 2021. Pioneer has chosen not to include these funds as a part of the Unrestricted Grants-in Aid or the Restricted Grants-in Aid line and will be tracking these funds separately in Fund 467 outside of the General Fund and Five Year Forecast. Just as the usage of the Economic Disadvantaged Funds are required to be reported at year-end, so will the usage of The Student Wellness and Success be reported. The programs or initiatives developed with these funds must be developed in a partnership with a Community Partner. Pioneer has partnered with Mid-Ohio ESC in planning for the use of these funds. The District plans to supplant a portion of these funds through programs already in place, but the majority of the monies will be used for new initiatives.

Although budget cuts were made for K-12 schools in early May, JVSDs were not included in this cut due to Maintenance of Effort requirements in order for the State to receive Carl Perkins funding. Since we cannot be positive that this will hold true in FY2021, we have forecasted a 10% decrease in State Foundation funding. We have also forecasted an additional 5% decrease in FY2022. Finally, in FY2023, we have forecasted a leveling out of 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”. The current Biennium Budget Bill also freezes the Career Technical Weighted funding and Economic Disadvantaged funding at fiscal year 2019 funding levels for 2020 - 2021. This forecast assumes future Career Technical Weighted funding and Economic Disadvantage funding in the same manner as Unrestricted Grants-in-Aid.

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. Interest income is projected with a 50% decrease in FY2021 and another 25% decrease in FY2022. In the remaining years slight increases are forecasted.

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 was 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 thru FY2024 an increase of 1% with steps has been included in this forecast.

Employee Retirement & Fringe Benefits (Line 3.020) – Retirement (14%), Medicare (1.45%) and Workers Compensation (.45%) 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 and FY 2019 increased 16.99% and 2.73%, respectively. This forecast provides for a 2.98% increase for FY 2020, an 8.5% increase for FY2021 and a 5% increase for FY 2022-2024. 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.

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 2020 through 2024 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. College Credit Plus deductions for FY 2019 totaled \$532,000.00. Each year of the forecast provides for a 3% increase in college Credit Plus Deductions.

The Student Wellness and Success Funds to be supplanted for Fiscal Years 2020 and 2021 are deducted from this line item. Since these funds are only provided for in the current Biennial Budget, no deductions have been made for Fiscal years 2022 through 2024 for Student Wellness and Success Funds.

Supplies and Materials (Line 3.040) – Expenses in this category have remained steady. Those expenses include textbooks, supplies, equipment and educational software. Fiscal Years 2020 through 2024 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. In FY 2020, the district will begin the final payments on the original 2008 COPS issue. The District will be using the 002 Reserve Fund to make the final payments of the original 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 2020 through 2024.

Operating Transfers – Out (Line 5.010) – Transfers of \$400,000 from the General Fund are made to the Permanent Improvement Fund (003) in FY 2020 thru FY 2024 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:

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/>