

Celina City School District 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)	11,781,980	12,096,252	11,993,366	11,789,707	11,510,604	11,790,010	9,853,922	7,889,911
1.020 - Public Utility Personal Property	267,555	227,259	454,570	505,588	527,716	526,388	456,262	367,608
1.030 - Income Tax	2,726,113	2,692,279	2,800,361	2,823,342	3,313,015	3,818,979	3,949,968	4,085,485
1.035 - Unrestricted Grants-in-Aid	12,386,094	12,751,819	12,579,481	12,710,484	13,096,029	13,078,216	13,530,058	13,805,294
1.040 - Restricted Grants-in-Aid	320,917	398,249	357,799	354,470	360,663	358,728	358,301	360,290
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,733,543	1,726,248	1,711,636	1,694,447	1,684,344	1,674,475	1,388,519	1,106,162
1.060 - All Other Operating Revenues	1,308,940	1,436,107	1,533,707	1,607,638	1,618,861	1,605,408	1,611,986	1,543,596
1.070 - Total Revenue	30,525,142	31,328,213	31,430,920	31,485,676	32,111,232	32,852,204	31,149,016	29,158,346
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	324,000	106,000	-	-	-	-	-	-
2.060 - All Other Financing Sources	14,798	155,627	57,109	91,736	75,000	75,000	75,000	75,000
2.070 - Total Other Financing Sources	338,798	261,627	57,109	91,736	75,000	75,000	75,000	75,000
2.080 - Total Revenues and Other Financing Sources	30,863,940	31,589,840	31,488,029	31,577,412	32,186,232	32,927,204	31,224,016	29,233,346
Expenditures:								
3.010 - Personnel Services	15,548,412	16,445,578	16,761,852	17,290,798	17,340,154	17,853,222	18,291,677	18,706,642
3.020 - Employees' Retirement/Insurance Benefits	7,060,465	7,234,487	7,663,990	7,959,497	7,988,848	8,416,468	8,898,669	9,458,099
3.030 - Purchased Services	5,297,888	6,054,161	6,454,182	6,554,729	6,126,490	6,159,990	6,204,215	6,257,151
3.040 - Supplies and Materials	944,780	949,214	923,826	1,046,210	1,152,924	1,159,632	1,266,632	1,073,632
3.050 - Capital Outlay	626,627	147,274	370,975	335,001	337,501	340,001	342,501	345,001
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
4.300 - Other Objects	495,943	575,978	555,208	553,000	557,000	560,000	563,000	563,000
4.500 - Total Expenditures	29,974,115	31,406,692	32,730,033	33,739,235	33,502,917	34,489,313	35,566,694	36,403,525
Other Financing Uses								
5.010 - Operating Transfers-Out	146,000	143,000	96,000	125,000	125,000	125,000	125,000	125,000
5.020 - Advances-Out	306,000	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	1,858	-	-	-	-	-	-
5.040 - Total Other Financing Uses	452,000	144,858	96,000	125,000	125,000	125,000	125,000	125,000
5.050 - Total Expenditures and Other Financing Uses	30,426,115	31,551,550	32,826,033	33,864,235	33,627,917	34,614,313	35,691,694	36,528,525
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	437,825	38,290	(1,338,004)	(2,286,823)	(1,441,685)	(1,687,109)	(4,467,678)	(7,295,179)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	8,573,572	9,011,397	9,049,687	7,711,683	5,424,860	3,983,175	2,296,066	(2,171,612)
7.020 - Cash Balance June 30	9,011,397	9,049,687	7,711,683	5,424,860	3,983,175	2,296,066	(2,171,612)	(9,466,791)
8.010 - Estimated Encumbrances June 30	525,701	940,511	777,764	750,000	750,000	750,000	750,000	750,000
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	8,485,696	8,109,177	6,933,920	4,674,860	3,233,175	1,546,066	(2,921,612)	(10,216,791)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	2,352,078	4,704,165
11.030 - Cumulative Balance of Replacement/Renewal Lev	-	-	-	-	-	-	2,352,078	7,056,243
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	8,485,696	8,109,177	6,933,920	4,674,860	3,233,175	1,546,066	(569,534)	(3,160,548)
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	8,485,696	8,109,177	6,933,920	4,674,860	3,233,175	1,546,066	(569,534)	(3,160,548)

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2019 Through 2023**

Notice: All estimates are conservative and do not guarantee what will happen in estimated years.

This forecast is submitted to the Ohio Department of Education to fulfill the May 31, 2019 deadline.

REVENUE ASSUMPTIONS

Property Taxes – Line 1.01

General Property Taxes comprise just about 38% of the District's total general fund revenue. Estimates are based upon county auditor projections, historic valuation data and scheduled updates and reappraisals.

The forecast assumes growth in residential property, as well as new construction during the five-year period of the forecast. In FY 2014, the County experienced a large valuation increase due to CAUV; in FY 2017 and we saw a significant decrease of approximately 30% in CAUV values.

In 2017, the County settled with 2 property owners, which resulted in a one-time adjustment of approximately \$300,000.

The emergency property tax levy was renewed in May of 2016, and will expire on December 31, 2021.

Public Utility Property Tax – Line 1.02

Public Utility Personal Property Taxes comprise less than 1.5% of the District's total general fund revenue. Estimates are based upon county auditor projections, historic valuation data and are projected to decrease over the five-year period of the forecast.

Income Tax – Line 1.03

Income Taxes comprise just about 9% of the District's general fund revenues. Estimates are based upon historic data and trends. In FY 2017, the District realized a slight decrease in income tax revenues. The voters on November 7, 2017 approved to replace the expiring 3/4% earned income tax with a 1% earned income tax effective January 1, 2019. For FY 2018, the District actually received @ \$108,000 more in income tax over FY 2017. This is a positive impact heading into FY 2019 where the new 1% earned income tax becomes effective on January 1, 2019. However, in FY 2019 the District received 1 payment from the State of Ohio (April 2019) and the impact of the increase was not as significant as hoped; only a slight increase was noted, but this was only the first quarter of 2019. It is not until FY 2020 where the District should notice a better increase.

Unemployment rates in Mercer County remain extremely low so there should be no major jumps in income tax revenue. However, this revenue should increase modestly as wages increase through inflation.

Unrestricted Grants-in-Aid (state foundation) – Line 1.035

Unrestricted Grants-In -Aid comprise just over 40% of the District total General Fund revenue. This revenue is greatly impacted by the District's enrollment. The forecast is projecting a continuing decline in enrollment throughout the five years of the forecast.

This line of the forecast is always the most difficult to predict as the mechanisms that drive funding are constantly in motion. Funding is no longer based on an October count as it is now based on a real-time student count. The model is still primarily driven by property tax valuation per pupil but some other features were added to the last biennium budget to help with some funding inequities. Celina City Schools was aided by an agricultural provision.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2019 Through 2023**

REVENUE ASSUMPTIONS (Continued)

Unrestricted Grants-in-Aid (state foundation) – Line 1.035

As a side note, I should indicate that we are also adversely affected by open-enrollment out, which is currently @ 320 students open-enrolling out of the District. This will impact the expenditure side of the forecast.

In FY 2020, the District will be assuming control of the handicapped pre-school program (previously run by the Mercer County ESC). This should impact revenue received, as the District will now receive funding directly from the State, rather than that funding going to the ESC. We anticipate this to be @ \$270,000 annually. Two STEM teachers at the Middle School also received proper endorsement, where by additional vocational education money should flow to Celina. We anticipate this to be @ \$40,000 annually.

IMPORTANT NOTE: In addition to state funding, this line item contains Medicaid payments and casino tax revenue. Casino tax revenue should remain stable. Medicaid reimbursements are undergoing a shift to increasing regulations which may place additional costs and administrative burden on the District.

Restricted Grants-in-Aid (Career Tech & Economically Disadvantaged) – Line 1.04

Restricted Grants-in-Aid represent about 1% of total General Fund revenue. It is anticipated that this revenue will remain fairly stable. Two STEM teachers at the Middle School also received proper endorsement, where by additional vocational education money should flow to Celina. We anticipate this to be @ \$40,000 annually.

Property Tax Allocation (Homestead & Rollback) – Line 1.05

Property Tax Allocation revenue comprise about 5.5% of total general fund revenue. Growth or declines somewhat parallels the growth and/or decline in real property taxes. It is forecast to remain fairly stable.

As a note, rollback funding has been eliminated for all newly voted levies, meaning all new levies will be fully funded with local dollars. Existing levies which are renewed will continue to receive rollback funding from the state.

At December 31, 2021 (FY 2022) the current Emergency levy will expire.

All Other Revenues – Line 1.06 / Other Financing Sources – Line 2.070

All Other Operating Revenue make up about 5% of all general fund revenue. These revenues are primarily from vocational tuition, class materials and fees, open enrollment and interest income.

Investment rates have tick up over the past year or so, which is resulting in additional interest income. However, they seemed to have plateaued for now and with a declining fund balance, interest income will also decline.

Total Other Financing Sources is a very small percentage of general fund revenue. The District is only forecasting very limited activity within this source. Some activity is forecasted here for any transfers necessary to subsidize the food service operations, as well as any advances if they are needed.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2019 Through 2023**

EXPENDITURE ASSUMPTIONS

Personnel Services— Lines 3.01

Personnel Services represent about 51% of our general fund expenditures.

Negotiations recently settled with the OAPSE groups resulted in the following base increases in wages - 2.25% in FY 2019, and 2% in both FY 2020 and FY 2021.

Negotiations recently settled with the CEA group resulted in the following base increases in wages - 1% in FY 2019, and 2% in FY 2020 and 2.6% in FY 2021.

Additional increases were also forecasted for educational and step advancement. Going forward, the forecast allows for a 1% increase in base wages, along with an allowance for steps and educational advancements for FY 2022 and FY 2023.

The October forecast presented to the Ohio Department of Education triggered them to solicit a cost reduction / revenue enhancement plan to eliminate the proposed deficit fund balance at the end of FY 2021. A plan was developed by the school district administration whereby using attrition and eliminating several positions throughout the District, the Board was able to address that deficit. This plan was accepted by ODE. The plan has been reviewed and modified since the original submission and based upon current numbers the District is looking to eliminate @ \$487,000 in wages in FY 2020 and an additional \$110,000 in FY 2021.

Employees' Benefits – Line 3.02

Employee's Benefits comprise @ 24% of general fund expenditures.

Effective 1/1/2018, the District saw an 8% increase in medical premiums and a 5% increase in dental premiums. The high cost of specialty drugs is significantly impacting the premium hikes.

Effective 1/1/2019, the insurance consortium moved to a new carrier (SWOEPC) for medical and dental insurance and saw an 8% increase in medical premiums and a 1% increase in dental premiums. Had the MABT stayed with the current carrier the expected increase was close to 18%. The high cost of specialty drugs continues to significantly impact the premium hikes.

Effective 1/1/2020, the insurance consortium will see a 12% increase in medical premiums and a no increase in dental premiums. In October, the medical insurance increase was forecasted at 8%. This additional 4% will cost the district @ \$160,000. The high cost of specialty drugs still continues to significantly impact the premium hikes. 10% increases have been forecasted in calendar years 2021 through 2023.

Along with the PPO, which will be sunset on January 1, 2021, through the new carrier and the MABT, the District is offering a HDHP with an HSA account. The premium is significantly less than the PPO premium on the surface, but when you factor in a Board contribution to the employee's HSA account the overall cost to the Board will be about the same as the PPO premium. It should be noted that with the switch from the PPO plan to the HDHP, there were also a number of employees who decide to opt of enrolling in insurance at the District. The impact of the number of additional individuals opting out helps to offset the increase in the medical premium noted above.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2019 Through 2023**

EXPENDITURE ASSUMPTIONS

Employees' Benefits – Line 3.02

Negotiations recently settled with OAPSE and CEA groups resulted in annual Board contributions to the employees HSA accounts of \$1,225 for an individual plan and \$2,450 for a family plan, for the term of the contract. It also resulted in the employees paying 7.5% of the HDHP premium for the term of the contract, while paying 15% of the PPO premium effective 1-1-2019 and 20% of the PPO premium effective 1-1- 2020.

As stated above, the October forecast presented to the Ohio Department of Education triggered them to solicit a cost reduction / revenue enhancement plan to eliminate the proposed deficit fund balance at the end of FY 2021. A plan was developed by the school district administration whereby using attrition and eliminating several positions throughout the District, the Board was able to address that deficit. This plan was accepted by ODE. The plan has been reviewed and modified since the original submission and based upon current numbers the District is looking to eliminate @ \$106,000 in benefits in FY 2020.

Purchased Services – Line 3.03

Purchased Services comprise approximately 20% of total general fund expenditures and include such things as tuition costs, open-enrollment, community schools, post-secondary costs, utilities and shared costs with the ESC.

The District is significantly impacted by open enrollment out of the District. In 2016, there were @ 250 students who open-enrolled out of the District; in 2017, there were @ 270; in FY 2018 there are @ 286; and currently for FY 2019 there are @ 316 students open-enrolling out to other school districts.

In FY 2019, the District took over the Alternative School from the Mercer County ESC. The District was set to pay @ \$200,000 to the Mercer County ESC for these services. In exchange for the payment for these services the District hired 2 staff members, one of which is scheduled to work only half-time for the program.

In FY 2020, the District will be absorbing the handicapped pre-school program back for the Mercer County ESC. The District was set to pay @ \$435,000 to the Mercer County ESC for these services. In exchange for the payment for these services the District will hire staff members to adequately run the pre-school program

Small increases are reflected within the five years of the forecast for inflationary purposes

Supplies – Line 3.04

Supplies and Materials make up less than 3% of general fund expenditures. In general, small increases in spending are forecasted throughout the five year period.

To meet the needs of curriculum, an additional \$100,000 has been forecasted in both FY 2020 and FY 2021, and then an additional \$200,000 has been forecasted in FY 2023. These moneys will be used to update the Language Arts curriculum an area where Celina City Schools has struggled with proficiency and testing scores. These funds will also be used to update the Mathematics curriculum, including textbooks.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2019 Through 2023**

EXPENDITURE ASSUMPTIONS (Continued)

Capital Outlay – Line 3.05

Capital Outlay expenditures make up @ 1% of general fund expenditures. The goal is to limit the capital outlay expenditures as much as possible from the general fund.

Of concern is the fact that the District is encountering issues which are causing an outlay of funds to repair and maintain, including roofing repairs, tuck pointing and parking lot repaving and repairs.

Other Objects – Line 4.300

Other Objects make up less than 2% of the District's general fund expenditures. It is projected that this category will remain fairly stable.

5.040 - Total Other Financing Uses

Total Other Financing Uses makes up about ½ % of total general fund expenditures. It is based upon transfers and advances made by the District mostly at fiscal year-end. Advances are made at year end to eliminate deficit fund balances and are repaid after the beginning of the next fiscal year when the advances can be returned. Transfers are a permanent shift in funds and are not expected to be repaid. I am assuming food service will have a deficit each of the next five years.

Encumbrances – Line 8.01

Encumbrances are budgeted to be expended in the year they occur and therefore the goal each school year would be

Revenue Over/Under Expenditures – Line 6.01

Line 6.010 Excess of Revenue Over (Under) Expenditures

This line is the true gauge of a school district's financial health. When this line is negative it means expenses are outpacing revenue and depleting a district's cash balance. Previously, FY13 had marked a fourth straight year of deficit spending, ultimately leading to the decrease of the district's cash balance. FY's 2014 through 2017 brought a much needed surplus to the District. The five years of this forecast all reflect deficit spending, thus beginning a decline in the district's carry-over balance.

Repairs to the District's capital environment remain a variable as well. This line will need to be monitored closely.

True-Days Cash = Ending Cash Balance (Line 7.020) / (Total Expenditures (Line 5.050) / 365)

2019 = @ 58 Days	(\$5,424,860 / (\$33,864,235 / 365))	
2020 = @ 43 Days	(\$3,983,175 / (\$33,627,917 / 365))	
2021 = @ 24 Days	(\$2,296,066) / (\$34,614,313 / 365))	
2022 = @ -22 Days	(\$-2,171,612) / (\$35,691,694 / 365))	Impacted significantly by the Emergency Levy which expires December 31, 2021