

Celina City School District Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2012	Fiscal Year 2013	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)	10,551,912	10,710,031	10,812,317	11,364,183	11,439,429	11,567,644	11,697,611	11,798,439
1.020 - Public Utility Personal Property	271,752	284,825	279,975	269,255	266,353	223,373	189,581	180,581
1.030 - Income Tax	2,221,865	2,347,537	2,458,115	2,541,206	2,574,509	2,602,738	2,627,191	2,492,828
1.035 - Unrestricted Grants-in-Aid	9,920,004	9,784,259	10,757,139	11,981,790	12,069,904	12,275,309	12,075,281	12,422,076
1.040 - Restricted Grants-in-Aid	116,290	175,404	335,638	318,215	331,371	336,402	337,925	341,039
1.045 - Restricted Federal Grants-in-Aid - SFSF	451,026	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,663,874	1,660,645	1,649,015	1,723,497	1,812,409	1,822,357	1,845,665	1,866,866
1.060 - All Other Operating Revenues	1,665,664	1,645,557	1,507,374	1,492,300	1,507,223	1,529,832	1,514,533	1,544,824
1.070 - Total Revenue	26,862,367	26,809,258	27,799,571	29,690,446	30,000,199	30,357,655	30,278,787	30,616,653
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	748,000	297,500	990,000	341,500	450,000	450,000	450,000	450,000
2.060 - All Other Financing Sources	120,966	91,996	101,735	137,118	75,000	75,000	55,000	55,000
2.070 - Total Other Financing Sources	868,966	389,496	1,091,735	478,618	525,000	525,000	505,000	505,000
2.080 - Total Revenues and Other Financing Sources	27,731,353	27,198,754	28,891,306	30,169,064	30,525,199	30,882,655	30,783,787	31,151,653
Expenditures:								
3.010 - Personnel Services	15,332,452	15,333,508	14,704,752	14,935,938	14,935,938	14,935,938	14,935,938	14,935,938
3.020 - Employees' Retirement/Insurance Benefits	7,226,304	7,349,958	7,052,713	6,987,411	7,187,938	7,420,569	7,660,603	7,908,402
3.030 - Purchased Services	3,973,991	4,028,526	4,510,175	4,855,276	4,903,829	4,952,867	5,002,396	5,052,420
3.040 - Supplies and Materials	925,197	950,141	920,058	900,978	905,483	910,011	914,561	919,134
3.050 - Capital Outlay	341,875	304,806	165,273	343,578	500,450	585,459	697,168	711,112
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	487,974	447,806	462,242	466,864	471,533	476,248	481,011	485,821
4.500 - Total Expenditures	26,287,793	26,414,745	27,787,212	28,490,046	28,905,171	29,281,092	29,697,167	30,012,826
Other Financing Uses								
5.010 - Operating Transfers-Out	22,704	-	114,257	125,683	138,251	152,076	167,284	184,012
5.020 - Advances-Out	627,500	795,000	346,500	450,000	450,000	450,000	450,000	450,000
5.030 - All Other Financing Uses	242	51,998	36,585	36,585	36,585	36,585	36,585	36,585
5.040 - Total Other Financing Uses	650,446	846,998	497,342	612,268	624,836	638,661	653,869	670,597
5.050 - Total Expenditures and Other Financing Uses	28,938,239	29,251,743	28,284,554	29,102,314	29,530,007	29,919,753	30,351,036	30,683,423
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(1,206,886)	(2,253,989)	606,805	1,066,750	995,192	962,902	438,212	468,230
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	10,299,851	9,092,965	6,838,976	7,445,781	8,512,531	9,507,723	10,470,625	10,908,867
7.020 - Cash Balance June 30	9,092,965	6,838,976	7,445,781	8,512,531	9,507,723	10,470,625	10,908,867	11,377,097
8.010 - Estimated Encumbrances June 30	1,950,667	1,382,758	774,814	500,000	500,000	500,000	500,000	500,000
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	7,142,298	5,456,218	6,670,967	8,012,531	9,007,723	9,970,625	10,408,667	10,877,097
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	159,117
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	159,117
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	159,117
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	7,142,298	5,456,218	6,670,967	8,012,531	9,007,723	9,970,625	10,408,667	11,036,214
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	7,142,298	5,456,218	6,670,967	8,012,531	9,007,723	9,970,625	10,408,667	11,036,214
ADM Forecasts								
20.010 - Kindergarten	-	-	-	194	206	200	200	200
20.015 - Grades 1-12	-	-	-	2,381	2,403	2,433	2,408	2,435

Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2015 Through 2019

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

REVENUE ASSUMPTIONS

Property Taxes – Line 1.01

Property tax revenue estimates are based on valuation data, scheduled updates and reappraisals combined with input from the Mercer County Auditor.

The forecast assumes a modest .35% average annual residential property value increase over the five years. There is also an increase of 0.90% average annual growth in residential construction and growth. While new construction has recently increased in Mercer County, I tend to take a conservative approach to forecasting future growth as the new construction market is still very unstable. These growth rates fall between the averages of the prior five year and prior ten year averages for each classification. Recent changes to CAUV calculations caused the assessed value of farmland to increase dramatically in Mercer County. Governmental influences will cause changes in the calculation of CAUV over the next five years to help mitigate this substantial increase.

The emergency property tax levy was renewed by voters in May of 2015. This will guarantee property tax funding through tax year 2021. Although new levies may be proposed, no new property taxes are included in the forecast until they are approved by the voters.

Public Utility Property Tax – Line 1.02

The valuation of Public Utility Property within the district has remained stable over the prior years and should remain stable or increase slightly.

Income Tax – Line 1.03

Because of stable or even declining unemployment, this revenue should remain relatively steady over the next five years. Historical trends have seen declining increases from a high of 5.66% in FY2013 to 3.38% in FY2015. Unemployment rates in Mercer County remain extremely low so there should be no major jumps in income tax revenue. However, this revenue should increase as wages increase through inflation.

This tax was renewed for five years in 2013 and will need to be renewed in 2018.

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

This line of the five year forecast is very much in question for Celina City Schools. The current formula has an income stipulation built into it but does not function to place state dollars into the districts that most need it based on their ability to raise local tax dollars through local tax levies. The current formula derives its state share index from property valuation per pupil ranked against the other districts throughout the state. Currently it is believed that the Senate believes this model is the best fit for Ohio School Districts and seeks to reinstate it for two more years. This model makes it difficult to predict revenue because it relies on property valuation per pupil compared to other districts throughout the

state. A district may appear wealthier or poorer based on changes in ADM or large growth/declines of property taxes. Celina City Schools experienced such a large growth in property taxes. The House of Representatives and the Governor's office have each presented a plan that looks to factor the average income of the local taxpayers into the formula. However, their methods to calculate are substantially different. This will be an unsettled issue at the time of the five year forecast presentation. I will be using the current model for my forecast.

Celina City Schools will receive an increase in state funding based on House Bill 59. This increase reached the cap imposed by HB59 in the first year. The cap was increased in year two and Celina City Schools will be on the boundary of the cap. Gains have also been projected for Celina City Schools in the years after the initial two years of the governor's budget. After the completion of this fiscal year, the District will be off the cap and funded solely on the formula. Casino revenue and state Medicaid payments will be classified here as well.

In years four and five of the forecast, this area sees a decrease in revenue as the average the district's property valuation per pupil will be using tax year 2014 and after. The district will appear much wealthier at this time compared to the state and in turn lose funding. However, there is no way to account for other districts moving up the rankings as their valuations increase.

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

Career Tech (Tri-Star Career Compact) funding saw a significant increase in FY2014. This should be stable over the next 1-3 years.

A new component, Economic Disadvantaged Funding, was added to this line this year. I anticipated this funding to stay relatively flat.

State Fiscal Stabilization Funds (SFSF) were federal funds used to replace foundation dollars during the height of the economic recession. These funds have been phased out and will not be replaced.

Property Tax Allocation (Homestead & Rollback) – Line 1.05

The property tax allocation is calculated as a fixed percentage of real property tax receipts. The growth or decline parallels the anticipated growth or decline in real property taxes. This form of funding has been eliminated for all newly voted levies which mean all new levies will be fully funded by local dollars. Existing levies that are renewed will continue to receive this funding from the state.

All Other Revenues – Line 1.06

These receipts are primarily from open enrollment in the district, interest on investment and class fees. After proposing a slight decrease in this line for the current fiscal year, I have left the growth modest as it is hard to predict.

EXPENDITURE ASSUMPTIONS

Personnel Services and Retirement/Benefits – Lines 3.01 & 3.02

The amounts for salaries are based on present negotiated agreements. Both the CEA and OAPSE agreements will expire in the summer of 2015. Each agreement calls for an experience increase in year one and a bonus for employees not receiving an increase in pay by experience. In year two of this agreement there are no experience increases and all employees receive this bonus. The prior

agreements negotiated in 2013 had no experience increases or base salary increases. With no agreement in place and no useful historical data to use, I have placed the salaries at zero growth pending the outcome of negotiations.

Retirement, Medicare and Workers Compensation are all driven by salaries. These items will increase as any increase to personnel occurs through collective bargaining. Health insurance continues to be difficult to predict. The district saw a savings in FY14 over prior year because of a change from the traditional PPO to a cheaper alternate PPO. The district will continue to receive benefit in FY15 from this change but costs will rise by 5.5% in January 2015. I have placed in annualized growth at 5.5% for each fiscal year of the forecast. The District must actively seek cost savings measures in health/prescription insurance.

Purchased Services – Line 3.03

An unexpected increase occurred in FY14 because of changes in pre-school funding, student defection to community schools and open enrollment and the way the district paid for this service from the ESC. The increase continued in FY15 mostly due to an additional increase in open enrollment and community school transfers. The number of open enrollment students continues to increase in earlier grades and this trend continues to be a concern. Nearly \$70,000 of iPad learning labs was posted to this line and should have been a capital outlay. This is part of technology budget.

Supplies – Line 3.04

This line on the budget contains all classroom supplies and textbooks as well as supplies for maintenance items. I anticipate a slight increase to adjust for last year's decrease and then a flat or slightly decreasing budget going forward.

Capital Outlay – Line 3.05

A plan for servicing the district's immediate capital outlay plan has been implemented using funds in the Permanent Improvement fund. Receipts for this fund are collected through proceeds from Tax Increment Financing (TIFs). The district is also assessing the possibility of construction for new building(s). Based on preliminary reports of the condition of our buildings I have increased spending on this line from the last forecast. I anticipate significant growth based on the age of the buildings and systems in the district

Other Objects – Line 4.3

Other objects include expenditures for county auditor/treasurer fees and ESC costs deducted through the state foundation and are projected to remain at a 1% inflationary growth as they are difficult to accurately project year to year.

Operating Transfers – Out – Line 5.01

I am assuming food service will have a deficit each of the next five years and that this deficit will increase with inflation.

Encumbrances – Line 8.01

Encumbrances are budgeted to be expended in the year they occur and therefore the goal each school year would be to get this number closer to zero. Celina City Schools has implemented a plan to better achieve this goal annually.

Revenue Over/Under Expenditures – Line 6.01

This line is the true gauge of a school district's health. When this line is negative it means expenses are outpacing revenue and depleting a district's cash balance. FY13 marked a fourth straight year of deficit spending, ultimately leading to the decrease of the district's cash balance (line 7.02). FY14 brought a much needed surplus to the District. Because of stable to increasing revenues, I anticipate a surplus in each of the next two years.