

Celina City School District Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Revenue:								
1.010 - General Property Tax (Real Estate)	10,710,031	10,812,317	11,364,183	11,781,980	11,793,381	11,905,963	11,936,451	11,956,748
1.020 - Public Utility Personal Property	284,825	279,975	285,760	267,555	276,315	281,064	284,225	285,832
1.030 - Income Tax	2,347,537	2,458,115	2,541,206	2,666,487	2,699,613	2,724,749	2,585,181	680,107
1.035 - Unrestricted Grants-in-Aid	9,784,259	10,757,139	11,955,679	12,455,352	12,689,951	12,493,748	12,577,354	12,773,243
1.040 - Restricted Grants-in-Aid	175,404	335,638	284,128	338,670	342,442	344,422	347,138	350,302
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,660,645	1,649,015	1,705,373	1,733,543	1,735,584	1,747,496	1,759,634	1,768,959
1.060 - All Other Operating Revenues	1,645,557	1,507,374	1,455,030	1,411,379	1,432,550	1,418,224	1,446,589	1,475,521
1.070 - Total Revenue	26,608,258	27,799,573	29,591,359	30,654,967	30,969,835	30,915,666	30,936,572	29,290,712
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	297,500	990,000	341,500	324,000	350,000	550,000	550,000	550,000
2.060 - All Other Financing Sources	91,996	101,785	137,118	145,000	150,000	155,500	160,000	164,000
2.070 - Total Other Financing Sources	389,496	1,091,785	478,618	469,000	500,000	705,500	710,000	714,000
2.080 - Total Revenues and Other Financing Sources	26,997,754	28,891,359	30,069,977	31,123,967	31,469,835	31,621,166	31,646,572	30,004,712
Expenditures:								
3.010 - Personnel Services	15,333,508	14,704,752	15,045,473	15,651,333	16,297,381	16,685,036	17,034,119	17,390,663
3.020 - Employees' Retirement/Insurance Benefits	7,349,958	7,052,713	6,968,507	7,138,507	7,411,216	7,674,531	7,941,757	8,218,316
3.030 - Purchased Services	4,028,526	4,510,175	4,847,134	5,103,605	5,205,677	5,309,791	5,415,987	5,524,307
3.040 - Supplies and Materials	950,141	892,058	900,988	909,998	919,098	928,289	937,572	946,947
3.050 - Capital Outlay	304,806	165,273	253,053	508,114	518,276	528,642	539,215	544,607
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	447,806	462,242	443,282	447,715	452,192	456,714	461,281	461,281
4.500 - Total Expenditures	28,414,745	27,787,212	28,458,437	29,759,272	30,803,641	31,583,002	32,329,930	33,086,120
Other Financing Uses								
5.010 - Operating Transfers-Out	-	114,257	146,000	160,600	176,660	194,326	213,759	225,000
5.020 - Advances-Out	785,000	346,500	324,000	350,000	550,000	550,000	550,000	550,000
5.030 - All Other Financing Uses	51,998	36,585	-	36,585	36,585	36,585	36,585	36,585
5.040 - Total Other Financing Uses	836,998	497,342	470,000	547,185	763,245	780,911	800,344	811,585
5.050 - Total Expenditures and Other Financing Uses	29,251,743	28,284,554	28,928,437	30,306,457	31,567,086	32,363,913	33,130,274	33,897,705
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(2,253,989)	606,805	1,141,540	817,510	(97,251)	(742,747)	(1,483,702)	(3,892,993)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	9,092,965	6,838,976	7,445,781	8,587,321	9,404,830	9,307,580	8,564,832	7,081,130
7.020 - Cash Balance June 30	6,838,976	7,445,781	8,587,321	9,404,830	9,307,580	8,564,832	7,081,130	3,188,137
8.010 - Estimated Encumbrances June 30	1,382,758	774,814	906,907	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	5,456,218	6,670,967	7,680,414	8,904,830	8,807,580	8,064,832	6,581,130	2,688,137
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	165,012	2,095,841
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal L	-	-	-	-	-	-	165,012	2,260,852
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	5,456,218	6,670,967	7,680,414	8,904,830	8,807,580	8,064,832	6,746,142	4,948,989
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	5,456,218	6,670,967	7,680,414	8,904,830	8,807,580	8,064,832	6,746,142	4,948,989
ADM Forecasts								
20.010 - Kindergarten	-	-	-	196	185	185	187	190
20.015 - Grades 1-12	-	-	-	2,308	2,315	2,257	2,251	2,249

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2016 Through 2020**

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 .40% average annual residential property value increase over the five years. There is also an increase of 1% 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. With CAUV as the most significant cause of increases of property valuation and the fact that the District is at the legally mandated 20-mill floor, the District has seen a 10.01% increase in property tax revenue since fiscal year 2013.

Mercer County has a very low delinquency rate. In 2015-2016, the County Treasurer's office increased their efforts to collect delinquent taxes. This acceleration of collection resulted in over \$100,000 more of delinquent taxes collected than anticipated. This will cause delinquency collections to decrease over prior years as there is less to collect. The Treasurer's office did indicate there was one large commercial property that was recently purchased that owed a significant amount of past due property taxes.

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.

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. However, in fiscal year 2016, income tax increased nearly 5%. This is nearly double of what I forecasted. Income tax revenue has increased 13.59% since fiscal year 2013.

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.

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 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 biennium budget to help with some funding inequities. Celina City Schools was aided by an agricultural provision. The class of 2017 is very large and this drop-off in students will have a significant impact on the District's formula ADM, which is the total number of Celina residents attending school. After that class graduates, my assumption is that the District's formula ADM will be stable; however, the District will continue to be losing more students to open enrollment and to online community schools.

Unrestricted Grants-in-Aid has seen revenue increase by 27.3% from fiscal year 2013 to 2016. This growth is unprecedented and the level at which it has been increasing cannot be maintained over time.

IMPORTANT NOTE: Years three through five of line 1.035 of this forecast are based on the current state funding formula which is good for two years. The funding formula could be substantially modified or completely changed as the next budget bill is proposed. Any increase in funding over years three through five would also assume that the state legislators would continue to add funds to school funding.

In addition to state funding, this line item contains Medicaid payments and casino tax revenue. Casino tax revenue should remain stable with little to no significant increase. Medicaid reimbursements are undergoing a shift to increasing regulations which may place additional costs and administrative burden on the District. This situation must continue to be monitored.

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. I anticipate 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. I have decreased this line based on the number of open enrollments students coming to the district has decreased.

EXPENDITURE ASSUMPTIONS

Personnel Services and Retirement/Benefits – Lines 3.01 & 3.02

I have used the current negotiated bargaining agreements to calculate FY16, FY17 and FY18. For FY19 and FY20, I used a 2.1% total increase annually. This covers step movement and a possible base increase.

For future years, I calculated a 3.3% annual increase in fringe benefits based on a 5% annual increase in health insurance and increases to retirement, Medicare and workers' comp based off salary increases. Severance payments by the District have been decreased due to a large carryover balance and the prospect of few retirements.

The District saw numerous administrative and certified retirements after FY13. This created a substantial savings for the District. Both FY14 and FY15 had less expense for wages than FY13. However FY16 will surpass FY13 levels.

Starting on January 1, 2014, the District changed medical health insurance plans and saw a significant savings. In FY16, fringe benefits were still less than in FY13. FY17 should surpass FY13 figures.

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 trend of a larger number of open enrolled students continues in FY16. I have added \$75,000 to this line for open enrollment out of the district. The number of open enrollment students continues to increase in earlier grades and this trend continues to be a concern. I have increased spending in purchase services for all years of the forecast to cover open enrollment increases. I have added an additional \$75,000 to cover an increase in spending at the ESC not including Aladdin students. I anticipate no increase for Aladdin students. I have added \$58,000 to this line item for the implementation of MUNIS accounting software. This is a one-time implementation fee. Purchased services have been positively affected by both a mild winter and low gasoline costs.

Supplies – Line 3.04

This line on the forecast contains all classroom supplies and textbooks as well as supplies for maintenance items. I assume a growth of 1% annually for supplies. Textbook implementation has been assumed by the permanent improvement fund.

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 some 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 (cost of supplies and salaries).

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 financial 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 and FY15 brought a much needed surplus to the District. Because of stable to increasing revenues, I anticipate a surplus in FY16. FY17 will be a year that will be near break-even as wages and benefits increase significantly. Revenue increases should begin to decline. Repairs to the District's capital environment remain a variable as well. This line will need to be monitored closely over the next five years.