

Celina City School District 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
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	12,096,252	11,993,366	11,789,709	12,049,557	11,971,472	10,012,105	8,018,808	8,089,662
1.020 - Public Utility Personal Property	227,259	454,570	505,587	480,548	522,548	450,555	363,967	360,322
1.030 - Income Tax	2,692,279	2,800,361	2,823,342	3,570,587	3,962,728	4,098,198	4,238,341	4,130,394
1.035 - Unrestricted Grants-in-Aid	12,751,819	12,579,481	12,750,237	12,448,857	12,447,817	12,446,777	12,445,737	12,444,697
1.040 - Restricted Grants-in-Aid	398,249	357,799	360,244	670,244	670,244	670,244	670,244	670,244
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,726,248	1,711,636	1,694,584	1,701,240	1,683,274	1,400,263	1,114,776	1,120,844
1.060 - All Other Operating Revenues	1,436,107	1,533,707	1,530,085	1,835,427	1,821,177	1,823,177	1,825,177	1,827,177
<b>1.070 - Total Revenue</b>	<b>31,328,213</b>	<b>31,430,920</b>	<b>31,453,788</b>	<b>32,756,460</b>	<b>33,079,260</b>	<b>30,901,319</b>	<b>28,677,050</b>	<b>28,643,340</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	106,000	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	155,627	57,109	73,818	75,000	75,000	75,000	75,000	75,000
2.070 - Total Other Financing Sources	261,627	57,109	73,818	75,000	75,000	75,000	75,000	75,000
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>31,589,840</b>	<b>31,488,029</b>	<b>31,527,606</b>	<b>32,831,460</b>	<b>33,154,260</b>	<b>30,976,319</b>	<b>28,752,050</b>	<b>28,718,340</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	16,445,578	16,761,852	17,264,266	17,486,159	18,036,768	18,486,267	18,905,622	19,334,643
3.020 - Employees' Retirement/Insurance Benefits	7,234,487	7,663,990	7,718,392	7,840,694	7,893,060	8,881,085	9,460,753	10,092,801
3.030 - Purchased Services	6,054,161	6,454,182	6,417,194	6,236,499	6,275,499	6,325,499	6,384,499	6,384,499
3.040 - Supplies and Materials	949,214	923,826	1,045,193	1,157,790	1,160,290	1,267,290	1,074,290	1,074,290
3.050 - Capital Outlay	147,274	370,975	340,872	327,501	330,001	332,501	335,001	335,001
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
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	575,978	555,208	590,347	556,999	559,999	562,999	562,999	562,999
<b>4.500 - Total Expenditures</b>	<b>31,406,692</b>	<b>32,730,033</b>	<b>33,376,264</b>	<b>33,605,642</b>	<b>34,255,617</b>	<b>35,855,641</b>	<b>36,723,164</b>	<b>37,784,233</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	143,000	96,000	101,500	105,000	105,000	105,000	105,000	105,000
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	1,858	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	144,858	96,000	101,500	105,000	105,000	105,000	105,000	105,000
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>31,551,550</b>	<b>32,826,033</b>	<b>33,477,764</b>	<b>33,710,642</b>	<b>34,360,617</b>	<b>35,960,641</b>	<b>36,828,164</b>	<b>37,889,233</b>
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>38,290</b>	<b>(1,338,004)</b>	<b>(1,950,158)</b>	<b>(879,182)</b>	<b>(1,206,357)</b>	<b>(4,984,322)</b>	<b>(8,076,114)</b>	<b>(9,170,893)</b>
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	9,011,397	9,049,687	7,711,683	5,761,525	4,882,343	3,675,985	(1,308,337)	(9,384,451)
<b>7.020 - Cash Balance June 30</b>	<b>9,049,687</b>	<b>7,711,683</b>	<b>5,761,525</b>	<b>4,882,343</b>	<b>3,675,985</b>	<b>(1,308,337)</b>	<b>(9,384,451)</b>	<b>(18,555,344)</b>
8.010 - Estimated Encumbrances June 30	940,511	777,764	720,703	750,000	750,000	750,000	750,000	750,000
<b>Reservations of Fund Balance:</b>								
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	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>10.010 - of Appropriations</b>	<b>8,109,177</b>	<b>6,933,920</b>	<b>5,040,822</b>	<b>4,132,343</b>	<b>2,925,985</b>	<b>(2,058,337)</b>	<b>(10,134,451)</b>	<b>(19,305,344)</b>
<b>Rev from Replacement/Renewal Levies</b>								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	252,925
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	2,395,609	4,791,217	4,790,987
11.030 - Cumulative Balance of Replacement/Renewal Lev	-	-	-	-	-	2,395,609	7,186,826	12,230,738
<b>Fund Balance June 30 for Certification</b>								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>8,109,177</b>	<b>6,933,920</b>	<b>5,040,822</b>	<b>4,132,343</b>	<b>2,925,985</b>	<b>337,272</b>	<b>(2,947,625)</b>	<b>(7,074,606)</b>
<b>Revenue from New Levies</b>								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>8,109,177</b>	<b>6,933,920</b>	<b>5,040,822</b>	<b>4,132,343</b>	<b>2,925,985</b>	<b>337,272</b>	<b>(2,947,625)</b>	<b>(7,074,606)</b>

**Celina City School District  
Five-Year Forecast  
Fiscal Years Ending June 30, 2020 Through 2024**

**Forecast Methodology** - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

This forecast is submitted to the Ohio Department of Education to fulfill the November 30, 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. It is anticipated that we will see another decrease in CAUV values in the 2020 revaluation; however residential values appear to be increasing based upon information provided by the County Auditor, which could help offset those decreases experienced in CAUV values.

The emergency property tax levy was renewed in May of 2015 (collection to begin in 2017), and will expire on December 31, 2021. It is very important that this levy be reviewed very carefully to determine exactly what the District needs to help eliminate future deficits forecasted.

**Public Utility Property Tax – Line 1.02**

Public Utility Personal Property Taxes comprise less than 1.6% 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. We have received two quarterly income tax settlements in FY 2020 (July and October) and the revenue from each settlement were about 35% higher than the same quarters from FY 2019. This is a result of the increase in the income tax along with the good economic climate in this area of the State. 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 income tax levy will expire at December 31, 2023, and that is reflected in the forecast in the FY 2024 column.

**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**

Unrestricted Grants-In -Aid comprise just over 40% of the District total General Fund revenue. This revenue in the current state budget has been frozen at FY 2019 levels meaning that Celina City Schools will not receive any additional funds to support the General Fund. This is a change from the June 2019 forecast where slight increases had been forecasted. As a District we are still projecting a continuing decline in enrollment throughout the five years of the forecast, and have kept this revenue static throughout the forecast.

It should be noted that there is a current bill in the House (Cupp-Patterson) which addresses school funding and tries to correct the inadequacies in State funding. Only time will tell if this Bill moves forward through the State House and Senate. As a side note, I should indicate that we are also adversely affected by open-enrollment out, which is currently @ 325 students open-enrolling out of the District. This will impact the expenditure side of the forecast.

In the June 2019 forecast we were forecasting that we would be assuming control of the handicapped pre-school program from the Mercer County ESC. After that forecast, it was determined that the ESC would maintain the handicapped preschool program, but Celina CSD would take over the psychology services and hire our own speech pathologist, both of which would save the District money. Also as a result of this arrangement, the District's Primary School Assistant Principal resigned and this position was not replaced, also saving the District funds.

**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. Based upon the fact that Celina Schools has assumed all of the teachers and programs for the Tri Star Career Compact and student funding should indeed flow to Celina School, an estimated \$310,000 in restricted grants-in-aid have been added to the forecast to account for the vocational programs that previously had been operated by Coldwater EVSD and St. Marys CSD. Currently, the flow of funds is hindered by the fact that the State of Ohio has "frozen" state aid and the CTE 26's are in a period of suspension, because of school building IRN numbers, not correctly identifying the new Tri Star facility.

**Property Tax Allocation (Homestead & Rollback) – Line 1.05**

Property Tax Allocation revenue comprise about 5.4% 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. However, you will note a decrease in FY 2022. This is when the Emergency Levy is set to expire.

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 dropped over the past year, which is resulting in less interest income. This coupled with a declining fund balance, will result in a decline in interest income.

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

**REVENUE ASSUMPTIONS (Continued)**

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

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.

Based upon the fact that Celina Schools has assumed all of the teachers and programs for the Tri Star Career Compact and student funding should indeed flow to Celina School, an estimated \$260,000 in all other revenue have been added to the forecast to account for the vocational programs that previously had been operated by Coldwater EVSD and St. Marys CSD, and “frozen” by State of Ohio. These funds will have to be collected from Coldwater and St. Marys to correctly reflect the funds offsetting the Tri Star operating costs.

**EXPENDITURE ASSUMPTIONS**

**Personnel Services– Lines 3.01**

Personnel Services represent about 51.6% 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.

Based upon the fact that Celina Schools has assumed all of the teachers and programs for the Tri Star Career Compact, in FY 2020 and 2021 an estimated \$421,000 and \$84,000, respectively, have been added to Personnel Services in the forecast to account for the vocational programs that previously had been operated by Coldwater EVSD and St. Marys CSD.

The October 2019 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 updated since the original submission and used as an information base for this current forecast.

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

**Employees' Benefits – Line 3.02**

Employee's Benefits comprise @ 23.1% of general fund expenditures.

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. 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 2024.

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.

The MABT did vote to have a premium holiday in November of 2020, meaning that the monthly premium for the District and all employees will be paid by the MABT trust. The impact of this premium holiday will save the District @ \$450,000

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.

Based upon the fact that Celina Schools has assumed all of the teachers and programs for the Tri Star Career Compact, in FY 2020 and 2021 an estimated \$421,000 and \$84,000, respectively, have been added to Personnel Services in the forecast to account for the vocational programs that previously had been operated by Coldwater EVSD and St. Marys CSD. Because of the addition to Personnel Services, the forecasting program has automatically included Fringe Benefit costs to reflect that. In FY 2020 it is estimated to cost @ \$67,000, and in FY 2021 an additional @\$14,000.

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 updated since the original submission and used as an information base for this current forecast.

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

**EXPENDITURE ASSUMPTIONS**

**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 FY 2016, there were @ 250 students who open-enrolled out of the District; in 2017, there were @ 270; in FY 2018 there were @ 286; in FY 2019 there were @ 316; and currently there are @ 325 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 psychology and speech therapy services for handicapped pre-school program run by the Mercer County ESC. By taking over these services, the District will reduce the amount of purchased services paid to the Mercer County ESC.

Small increases for other purchased services are reflected within the five years of the forecast for inflationary purposes.

**Supplies – Line 3.04**

Supplies and Materials make up @ 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.

**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.

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

**EXPENDITURE ASSUMPTIONS (Continued)**

**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 to deplete the encumbrances as much as possible at year end.

**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. The five years of this forecast all reflect deficit spending.

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)**

2020 = @ 53 Days	\$ 4,882,343 / (\$33,710,642 / 365)	
2021 = @ 39 Days	\$ 3,675,985 / (\$34,360,617 / 365)	
2022 = @ -14 Days	\$-1,308,337 / (\$35,960,641 / 365)	Without renewal of Emergency Levy
2022 = @ 3 Days	\$ 330,231 / (\$35,960,641 / 365)	<b><u>With renewal of Emergency Levy</u></b>