

Celina City School District Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Revenue:								
1.010 - General Property Tax (Real Estate)	11,350,426	11,781,980	12,096,252	11,907,950	11,915,515	11,896,407	11,914,197	9,858,876
1.020 - Public Utility Personal Property	285,760	267,555	227,259	244,977	233,521	209,839	194,891	152,374
1.030 - Income Tax	2,541,206	2,726,113	2,692,279	2,807,268	2,789,055	738,508	-	-
1.035 - Unrestricted Grants-in-Aid	11,955,679	12,386,094	12,751,819	12,900,879	12,796,554	12,793,998	12,792,485	12,794,158
1.040 - Restricted Grants-in-Aid	284,128	320,917	398,249	379,885	396,520	396,254	394,896	391,293
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,705,373	1,733,543	1,726,248	1,686,265	1,681,369	1,686,930	1,691,931	1,393,576
1.060 - All Other Operating Revenues	1,455,030	1,308,940	1,436,107	1,414,465	1,415,774	1,417,110	1,418,472	1,419,862
1.070 - Total Revenue	29,577,602	30,525,142	31,328,213	31,341,689	31,228,308	29,139,047	28,406,872	26,010,138
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	341,500	324,000	106,000	-	-	-	-	-
2.060 - All Other Financing Sources	137,118	14,798	155,627	77,114	25,000	25,000	25,000	25,000
2.070 - Total Other Financing Sources	478,618	338,798	261,627	77,114	25,000	25,000	25,000	25,000
2.080 - Total Revenues and Other Financing Sources	30,056,220	30,863,940	31,589,840	31,418,803	31,253,308	29,164,047	28,431,872	26,035,138
Expenditures:								
3.010 - Personnel Services	15,045,473	15,548,412	16,445,578	16,750,058	17,228,230	17,720,053	18,225,917	18,746,221
3.020 - Employees' Retirement/Insurance Benefits	6,968,507	7,060,465	7,234,487	7,369,136	7,680,666	8,032,251	8,400,453	8,786,111
3.030 - Purchased Services	4,847,134	5,297,888	6,054,161	6,126,532	6,231,636	6,339,949	6,449,014	6,546,025
3.040 - Supplies and Materials	900,988	944,780	949,214	964,500	978,500	991,500	1,004,500	1,017,500
3.050 - Capital Outlay	253,053	626,627	147,274	325,000	275,000	275,000	275,000	275,000
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	443,282	495,943	575,978	571,001	578,001	580,001	583,001	587,001
4.500 - Total Expenditures	28,458,437	29,974,115	31,406,692	32,106,227	32,972,033	33,938,755	34,937,884	35,957,858
Other Financing Uses								
5.010 - Operating Transfers-Out	146,000	146,000	143,000	125,000	125,000	125,000	125,000	125,000
5.020 - Advances-Out	324,000	306,000	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	1,858	-	-	-	-	-
5.040 - Total Other Financing Uses	470,000	452,000	144,858	125,000	125,000	125,000	125,000	125,000
5.050 - Total Expenditures and Other Financing Uses	28,928,437	30,426,115	31,551,550	32,231,227	33,097,033	34,063,755	35,062,884	36,082,858
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	1,127,783	437,825	38,290	(812,424)	(1,843,725)	(4,899,708)	(6,631,012)	(10,047,720)
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	7,432,032	8,559,815	8,997,640	9,035,930	8,223,506	6,379,781	1,480,074	(5,150,939)
7.020 - Cash Balance June 30	8,559,815	8,997,640	9,035,930	8,223,506	6,379,781	1,480,074	(5,150,939)	(15,198,659)
8.010 - Estimated Encumbrances June 30	906,907	525,701	550,000	550,000	550,000	550,000	550,000	550,000
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	7,652,908	8,471,939	8,485,930	7,673,506	5,829,781	930,074	(5,700,939)	(15,748,659)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	178,025	2,275,811	3,062,339	3,111,152
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	2,405,524
11.030 - Cumulative Balance of Replacement/Renewal Lev	-	-	-	-	178,025	2,453,836	5,516,176	11,032,851
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	7,652,908	8,471,939	8,485,930	7,673,506	6,007,806	3,383,910	(184,763)	(4,715,807)
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	7,652,908	8,471,939	8,485,930	7,673,506	6,007,806	3,383,910	(184,763)	(4,715,807)
ADM Forecasts								
20.010 - Kindergarten	-	-	-	170	160	160	160	160
20.015 - Grades 1-12	-	-	-	2,403	2,358	2,301	2,243	2,204

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2018 Through 2022**

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

REVENUE ASSUMPTIONS

Property Taxes – Line 1.01

General Property Taxes comprise just over 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 we will see 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% of the District's total general fund revenue. Estimates are based upon county auditor projections, historic valuation data and are projected to remain fairly stable over the five-year period of the forecast.

Income Tax – Line 1.03

Income Taxes comprise just under 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. With the current 3/4% earned income tax levy set to expire on December 31, 2018, the BOE is presenting a ballot initiative to the voters in the November 7, 2017 election to replace that with a 1% earned income tax effective January 1, 2019. Since the outcome has not yet been determined, the income falls off the top portion of the forecast.

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.

The District's first income tax settlement in FY 2018 (received in July, 2017), reflected withholdings at approximately \$45,000 higher than for the same period last year. This is a positive trend, and one to keep an eye on, as we did see an overall decrease in the last FY.

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.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2018 Through 2022**

REVENUE ASSUMPTIONS (Continued)

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.

As a side note, I should indicate that we are also adversely affected by open-enrollment out, which last year was around 250 students open-enrolling out of the District, and currently is right at 270 open-enrolling out of the District. This will impact the expenditure side of the forecast.

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.

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.

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

All Other Operating Revenue make up about 4.5% of all general fund revenue. These revenues are primarily from vocational tuition, class materials and fees, open enrollment and interest income.

Investment rates have started to tick up, which is resulting in additional interest income.

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, 2018 Through 2022**

EXPENDITURE ASSUMPTIONS

Personnel Services– Lines 3.01

Personnel Services represent over half of our general fund expenditures. In FY 2017, the negotiated agreements allowed for a 3% base increase along with the resumption of steps. Also included was a small increase for educational advancements. In FY 2018, there is a 1% increase in the base and additional small increases for educational and step advancement.

Going forward, the forecast allows for a small increase in base wages, along with an allowance for steps and educational advancements for FY19 through FY22.

Employees'Benefits – Line 3.02

Employee's Benefits comprise just under 23% of general fund expenditures. For 2017, the District saw no increase in medical insurance premiums, but did see a 10% increase in our dental premium.

Effective 1/1/2018, the District will see an 8% increase in medical premiums and a 5% increase in dental premiums. The 8% increase is significantly less than the percentage increase proposed by the consortium administrators, but the trust has a significantly high reserve balance, and the thought of the MABT was to keep the increase below 10% and allow the reserve to absorb some of the cost increase. The high cost of specialty drugs is significantly impacting the proposed premium hikes.

Health care reform at the federal level must continue to be monitored, as the impacts of any changes are unknown.

Purchased Services – Line 3.03

Purchased Services comprise approximately 19% 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 are @ 270 students who open enrolled out of the District, and again in FY 2018 there are @ 270 students open-enrolling out to other Districts.

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

Supplies – Line 3.04

Supplies and Materials make up a small percentage of general fund expenditures. Small increases in spending are forecasted throughout the five year period.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2018 Through 2022**

EXPENDITURE ASSUMPTIONS (Continued)

Capital Outlay – Line 3.05

Capital Outlay expenditures make up a small percentage 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 one and a half percent 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 get this number closer to zero. Celina City Schools has implemented a plan to better achieve this goal annually.

**Celina City School District
Five-Year Forecast
Fiscal Years Ending June 30, 2018 Through 2022**

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)

2018 = @ 93 Days	(\$8,223,506 / (\$32,231,227 / 365))	
2019 = @ 70 Days	(\$6,379,781 / (\$33,097,033 / 365))	With Income Tax <u>Renewal</u> @ 74 Days
2020 = @ 16 Days	(\$1,480,074 / (\$34,063,755 / 365))	With Income Tax <u>Renewal</u> @ 43 Days
2021 = @ (54) Days	(\$-5,150,939) / (\$35,062,884 / 365))	With Income Tax <u>Renewal</u> @ 8 Days
2022 = @ (153) Days	(\$-15,198,659) / (\$36,082,858 / 365))	With Income Tax <u>Renewal</u> @ (42) Days

