

TOLLES CAREER & TECHNICAL CENTER

OCTOBER 2016 FIVE YEAR FORECAST & ASSUMPTIONS

Tolles Career & Technical Center Schedule Of Revenue, Expenditures and Changes In Fund Balances Actual and Forecasted Operating Fund								
	ACTUAL			FORECASTED				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenue:								
1.010 - General Property Tax (Real Estate)	8,938,920	9,285,120	9,500,970	9,562,573	9,846,559	9,689,498	9,771,552	9,936,403
1.020 - Public Utility Personal Property	268,043	285,392	314,549	311,142	325,246	339,988	355,400	371,511
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	1,929,776	1,894,833	1,576,215	1,522,140	1,491,700	1,491,700	1,599,324	1,680,824
1.040 - Restricted Grants-in-Aid	19,176	61,017	416,009	397,153	385,743	526,659	680,666	775,728
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,241,161	1,279,316	1,133,551	1,143,962	1,163,593	1,184,919	1,199,399	1,226,608
1.060 - All Other Operating Revenues	343,540	352,953	373,337	381,711	387,731	393,900	400,223	406,704
1.070 - Total Revenue	12,740,616	13,158,631	13,314,631	13,318,680	13,600,572	13,626,665	14,006,565	14,397,778
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	91,160	959,581	961,781	237,581	237,581	237,581
2.050 - Advances-In	-	-	1,848,822	450,924	-	-	-	-
2.060 - All Other Financing Sources	16,178	52,075	-	35,770	36,664	37,580	38,520	36,800
2.070 - Total Other Financing Sources	16,178	52,075	1,939,982	1,446,275	998,445	275,162	276,101	274,381
2.080 - Total Revenues and Other Financing Sources	12,756,794	13,210,706	15,254,613	14,764,955	14,599,017	13,901,826	14,282,666	14,672,159
Expenditures:								
3.010 - Personnel Services	6,310,869	6,375,284	6,987,400	6,905,447	6,732,467	6,853,991	7,025,614	7,201,535
3.020 - Employees' Retirement/Insurance Benefits	2,353,614	2,419,695	2,537,114	2,530,231	2,607,762	2,739,966	2,889,093	3,048,667
3.030 - Purchased Services	1,363,465	1,584,062	1,684,773	1,735,316	1,787,376	1,840,997	1,896,227	1,896,227
3.040 - Supplies and Materials	420,770	506,068	567,843	641,275	660,514	680,329	700,739	700,739
3.050 - Capital Outlay	504,006	767,239	953,380	658,875	668,085	712,914	760,750	760,750
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	722,445	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	157,646	163,661	169,905	176,387	180,638
4.055 - Principal - Other	-	-	80,450	680,000	710,000	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	121,935	88,120	67,676	61,194	56,943
4.300 - Other Objects	230,351	231,781	215,225	243,125	245,557	248,012	250,492	250,492
4.500 - Total Expenditures	11,183,075	11,884,129	13,748,630	13,673,851	13,663,541	13,313,789	13,760,496	14,095,992
Other Financing Uses								
5.010 - Operating Transfers-Out	1,009,382	1,031,041	847,351	959,581	961,781	237,581	237,581	237,581
5.020 - Advances-Out	-	45,136	2,254,610	54,013	-	-	-	-
5.030 - All Other Financing Uses	-	-	175	-	-	-	-	-
5.040 - Total Other Financing Uses	1,009,382	1,076,177	3,102,136	1,013,594	961,781	237,581	237,581	237,581
5.050 - Total Expenditures and Other Financing Uses	12,192,457	12,960,306	16,850,766	14,687,445	14,625,322	13,551,371	13,998,077	14,333,573
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	564,337	250,400	(1,596,153)	77,510	(26,305)	350,456	284,589	338,586
Cash Balance July 1 - Excluding Proposed Renewal/								
7.010 - Replacement and New Levies	6,131,363	6,695,700	6,946,100	5,349,947	5,427,457	5,401,152	5,751,608	6,036,197
7.020 - Cash Balance June 30	6,695,700	6,946,100	5,349,947	5,427,457	5,401,152	5,751,608	6,036,197	6,374,783
8.010 - Estimated Encumbrances June 30	214,730	1,068,331	511,175	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	6,480,970	5,877,769	4,838,772	4,927,457	4,901,152	5,251,608	5,536,197	5,874,783
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	6,480,970	5,877,769	4,838,772	4,927,457	4,901,152	5,251,608	5,536,197	5,874,783
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	6,480,970	5,877,769	4,838,772	4,927,457	4,901,152	5,251,608	5,536,197	5,874,783
ADM Forecasts								
20.010 - Kindergarten	-	-	-	-	-	-	-	-
20.015 - Grades 1-12	-	-	-	1,753	1,690	1,793	1,902	1,959

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Fiscal Years 2017 through 2021

GENERAL FUND

October 2016

REVENUE ASSUMPTIONS

GENERAL PROPERTY TAXES – Line 1.010

The District voters approved a 1.8 mill operating levy for a continuing period in May, 1972. The Madison County Budget Commission reduced the District millage from 1.8 mills to 1.6 mills prior to the enactment of HB920 in 1976. In 1988 Ohio lawmakers established a 2 mill floor for Career Technical Schools. Since the original 1.8 mills had been reduced to 1.6 mills and the millage floor cannot exceed the voted millage, 1.6 mills became the millage floor for the District. There is no reduction factor since the voted millage is below the 2 mill floor for Career Technical Schools.

At the regular Board of Education Meeting held on December 14, 2000, the board voted to reduce the millage from 1.6 to 1.1 mills. The effective date of the reduction was January 1, 2001. At the regular Board of Education Meeting held September 19, 2002 the Board voted to reduce the millage again from 1.1 mills to .5 mills. The effective date of the reduction was January 1, 2003. At the regular Board of Education Meeting held October 19, 2006 the Board voted to request the millage be restored. The Madison County Budget Commission voted to increase the millage from .5 mills to 1.3 mills. The effective date of the increase was January 1, 2007. On October 21, 2010 the Board of Education passed a resolution requesting that Budget Commission restore the remaining .3 mills. The commission denied the request stating they felt the district was a year early with the request. Again, at the April 28, 2011 Board of Education meeting the Board passed a resolution requesting the restoration of the remaining .3 mills. On May 12, 2011 the Madison County Budget Commission unanimously voted to restore the millage from 1.3 to 1.6 mills. The effective date of the increase was January 1, 2012.

Property tax values are established each year by the County Auditor based on new construction, board of revision changes and complete or updated appraisal values if applicable. Real Estate tax revenue estimates are based on 1.6 mills effective December 31, 2015 and on historical data substantiated by the information provided for the upcoming fiscal year from the County Auditor and the Ohio Department of Taxation. The forecast projects 2% increases in property values for calendar years 2016 through 2020 due to new construction and 1% increases due to Board of Revision cases, Updates & Reappraisals.

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GENERAL PROPERTY TAXES – Line 1.010

The Tangible Personal Property Tax (TPP) has been phased-out. Public utility personal property is the only personal property that is subject to property taxation now that changes enacted by the Ohio General Assembly in 2005 are fully phased in. Some of these tax changes also apply to the taxation of public utility property and will, over time, decrease property tax revenue from some utilities. The tax is collected on the tangible personal property of electric, rural electric, natural gas, pipeline, water works, water transportation, heating, and telegraph companies holding property in Ohio.

All increases in PUPP values are considered new construction. A 4.53% increase in PUPP values is projected.

UNRESTRICTED GRANTS-IN-AID – Line 1.035

The District is on the guarantee for state funding. The budget bill for FY14 and FY15 created a new funding model for joint vocational schools. FY14 and FY15 state aid was maintained at the FY13 amounts for districts whose new funding calculation fell below the FY13 state aid received. The new biennial budget (FY16 & FY17) increased the lowest possible state share to 5%. Tolles Career & Technical Center falls into both of these categories.

The FY16-FY17 biennial budget “guarantees” that Tolles will maintain the same level of funding as FY15. In FY17 Career Tech Funding will be funded outside of total state funding. The result is a new, lower funding level as a future “guarantee” basis.

This line also includes Casino Revenue. Casino revenue for FY17 through FY21 is projected to be approximately \$35,000 per fiscal year.

Unrestricted Grants-In-Aid is projected to slightly decrease from FY17 through FY21 due to increases in property valuations affecting the funding formula.

RESTRICTED GRANTS-IN-AID – Line 1.040

The District is receiving Economic Disadvantaged Funding and Career Tech Weighted Funding in the current fiscal year based on the new funding formula. The forecast projects that the district will continue to receive a total of \$47,276 in FY17 through FY21 for Economic Disadvantaged Funding and Career Tech Weighted Funding.

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PROPERTY TAX ALLOCATION – Line 1.050

Since 1971, Ohio landowners have received a 10% reduction in real property tax on non-business property (Non-Business Credit) and a 2.5% reduction in tax due on the value of an owner occupied home (Owner Occupied Credit). The last biennial budget contained language which phases out these reductions. New levies passed after August 2013 no longer qualify for these tax reductions.

The Homestead Exemption was also changed. Eligible homeowners can shield \$25,000 of the market value of their home from property tax if they meet the qualifications and apply for the exemption.

Projections in this forecast are calculated based on projected property valuation changes.

ALL OTHER REVENUES – Line 1.060

Revenues from all other sources are based on historical trends. Interest income was one of the larger sources of income for this line. Interest rates are at an all-time low. Interest income has been adjusted accordingly. Open Enrollment and Associated Services reimbursements received from the State of Ohio are also included in this area of the projection.

No significant future changes are anticipated.

ADVANCES – Line 2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year. All advances over year-end are planned to be returned in the succeeding fiscal year. Anticipated revenues in these areas are based on historical patterns.

ALL OTHER FINANCING SOURCES – Line 2.060

Adjustments, refunds and transfers are shown on this line. Beginning in FY16, transfers are projected to cover current construction bonds and a future HVAC project. The construction bonds will be paid in full in fiscal year 2018.

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EXPENDITURE ASSUMPTIONS

PERSONNEL SERVICES – Line 3.010

Personnel services are based on the certified negotiated agreement, classified employee salary schedules, administrative salaries, and supplemental pay. Negotiated pay increases with the Tolles Education Association are forecasted at 1% each year FY17 through FY21. Anticipated growth, historical data, anticipated negotiated agreements and salary schedules are used in calculating the projections. FY17 includes the reduction due to attrition of the following staff: one custodial/maintenance; one intervention specialist and one half of an administrative assistant position.

No additional staff and a 1% base salary increase have been projected for FY17 through FY21. The forecast also includes changes in columns due to educational growth based on historical trends.

BENEFITS – Line 3.020

The district is required to contribute 14% of payroll to either State Teachers Retirement System or School Employees Retirement System. Medicare contributions are 1.45% for all new employees to the district since April 1, 1986. Salary related benefit costs will increase or decrease in relation to payroll amounts listed in personnel services. Medical, dental, life, and vision insurance benefits are also provided by the district.

Projections for all benefits other than retirement and Medicare have been calculated at a 0% increase for FY17 and 8% increases for FY18 through FY21.

PURCHASED SERVICES – Line 3.030

This category accounts for a wide variety of expenses incurred by the District including substitute teachers and instructional aides paid through the ESC of Central Ohio, utilities, trash, travel, post-secondary education, repairs, leases, legal costs, postage, advertising, contracted transportation costs, contracted technology services, software & other maintenance costs and property, liability & fleet insurance.

Purchased services increases for FY17 through FY21 are projected to decrease \$284,800 in FY17 and increase yearly at 3.0% in FY18 through FY21. The decreases in FY17 will bring spending levels back in line with pre-FY16 levels.

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SUPPLIES AND MATERIALS – Line 3.040

This category accounts for supplies and materials for educational, custodial & maintenance needs. Textbooks, office supplies, software and other technology supplies are also included. Expenditure for FY16 were increased by approximately \$265,000 due to the addition of satellite programs. Seventy-five percent of these costs were backed out of the FY17 projections. It is estimated that twenty-five percent of the original supply and material costs for the new satellite programs will continue in future years.

Decreases in expenditures for FY17 will total \$277,177 to bring spending levels back in line with pre-FY16 levels. Increases for FY18 through FY21 are projected at 3% each year to account for inflation and enrollment growth.

CAPITAL OUTLAY – Line 3.050

A review of teaching laboratories is an ongoing process. Each year the district replaces equipment in its laboratories to keep the equipment as current to industry standards as possible. Capital Outlay expenditures for FY17 through FY21 are based on projections submitted by administrators. In FY15 and FY16 equipment costs were increased due to the 1:1 ipad project (piloted in FY15) and building upgrades. A boiler was replaced in FY16. The total cost of the replacement is estimated at \$2,254,610. An energy conservation, single source loan, was used to finance this project. The loan was financed over a period not to exceed 12 years.

A \$734,843 decrease is projected in FY17 to bring spending levels back in line with pre-FY16 levels. A 6.71% increase is projected in FY18 through FY21.

DEBT SERVICE – Lines 4.010 through 4.060

Payments for the principal and interest amounts for the Energy Conservation Loan and Construction Bonds are included as transfers to the Bond Retirement Fund.

OTHER OBJECTS – Line 4.300

A large portion of the expenditures reflected in this category are related to County Auditor & Treasurer fees associated with the collection of real estate and personal property taxes. Other expenditures include memberships & dues, surety bonds, audit examination fees and bank charges.

A 1% increase has been projected for FY16 through FY20.

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OTHER FINANCING USES – Line 5.010 – 5.030

This category includes advances, transfers and all other financing uses. Advances are short-term loans made to other funds. Advances are typically repaid in the same or following fiscal year. Transfers are a permanent move of money to other funds.

Included are transfers to the Bond Retirement Fund for payments of the principal and interest amounts for the Energy Conservation Notes, Construction Bonds and a future h.b. 264 project. The Energy Conservation Note was fully paid as of December 1, 2014. The Construction Bonds will be fully paid by December 1, 2017. Also included are transfers to the Special Building Fund in the amount of \$100,000 per year. These transfers ended in FY15.

A transfers to the Adult Education Fund was made in FY15 in the amount of \$130,000. In FY16, this amount was \$107,125. A transfer to CTSO organizations was made in FY16 in the amount of \$50,505.

UNRESERVED FUND BALANCE JUNE 30

Nearly eighty-three percent of revenue is derived from real estate tax collection and tax allocations. Tax collections are received twice per year with receipts typically received in March and September. The June 30th cash balance is used to cover operational costs for the period July 1st through August or until real estate tax collections are received.