



**PUBLIC  
FINANCE  
RESOURCES**

EMPOWERING THE PUBLIC'S FINANCIAL LEADERS

# **Loveland City School District Financial Forecast Overview**

Loveland Board of Education Meeting

September 27, 2016

Ernie Strawser, PFR Consultant



# Agenda

- Comparison to Previous Forecast
- Forecast Summary
  - Key Categories
- Cash Reserve Analysis
- Per Pupil Expenditures



# Forecast Compare – FY 2016

## Comparison of Previous Forecast Amounts to Current

### Fiscal Year 2016 Forecasted Amounts

Projected at 05/02/2016, vs. Actual

		Column A	Column B	Column C	Column D
		Previous	Current		
		Forecast	Forecast	Dollar	Percent
		Amounts For	Amounts For	Difference	Difference
		F.Y. 2016	F.Y. 2016	Between	Between
		Prepared on:	Prepared on:	Previous	Previous
		05/02/2016	9/26/2016	and	and
				Current	Current
<b>Revenue:</b>					
1	Real Estate & Property Allocation	\$32,641,478	\$32,850,113	\$208,635	0.6%
2	Public Utility Personal Property	\$1,035,976	\$1,044,368	\$8,392	0.8%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$13,350,025	\$13,448,237	\$98,212	0.7%
5	Other Revenue	\$1,278,665	\$1,301,243	\$22,578	1.8%
6	Other Non Operating Revenue	\$248,314	\$413,000	\$164,686	66.3%
7	<b>Total Revenue</b>	<b>\$48,554,458</b>	<b>\$49,056,961</b>	<b>\$502,503</b>	<b>1.0%</b>
<b>Expenditures:</b>					
8	Salaries	\$27,611,446	\$27,709,304	\$97,858	0.4%
9	Fringe Benefits	\$9,493,103	\$9,538,937	\$45,834	0.5%
10	Purchased Services	\$4,257,664	\$4,307,410	\$49,746	1.2%
11	Supplies, Debt, Capital Outlay & Other	\$3,401,034	\$2,793,996	-\$607,038	-17.8%
12	Other Non Operating Expenditures	\$22,500	\$22,500	\$0	0.0%
13	<b>Total Expenditures</b>	<b>\$44,785,747</b>	<b>\$44,372,147</b>	<b>-\$413,600</b>	<b>-0.9%</b>
14	<b>Revenue Over/(Under) Expenditures</b>	<b>\$3,768,711</b>	<b>\$4,684,814</b>	<b>\$916,103</b>	<b>2.0%</b>
*Percentage Expressed In Terms of Total Expenditures					
15	Ending Cash Balance	\$11,517,155	\$12,433,258	\$916,103	

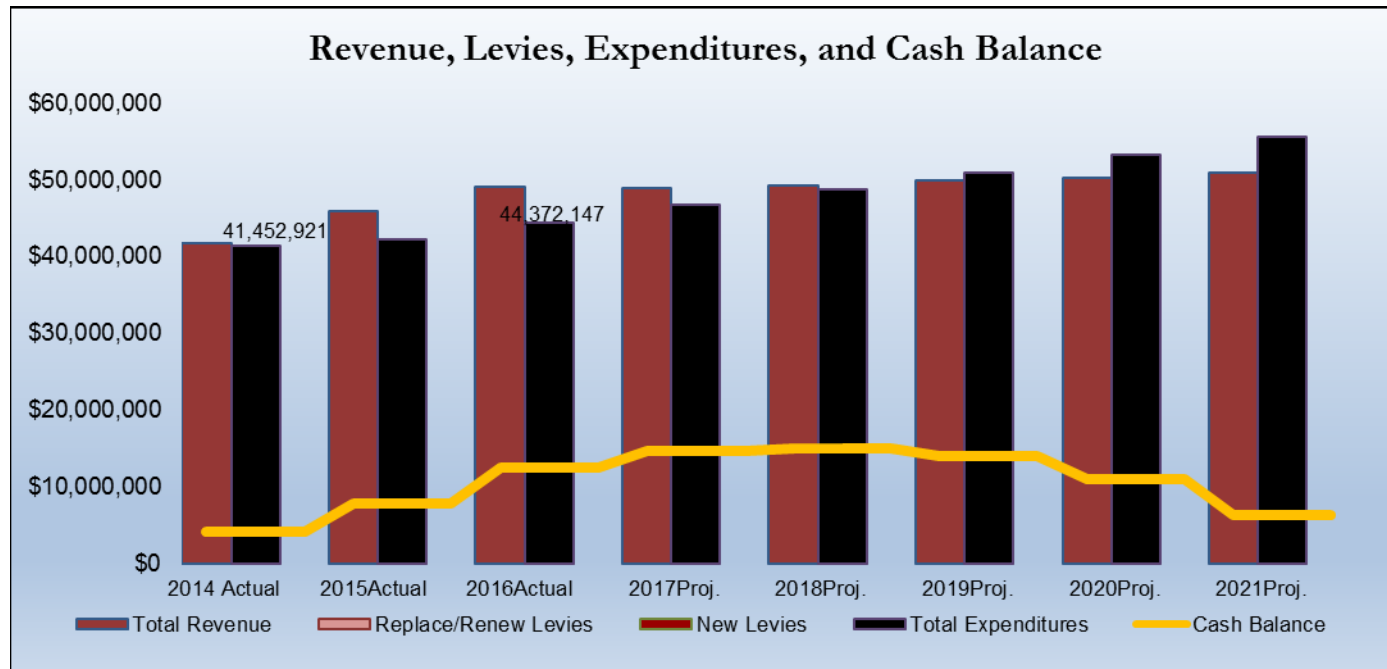
Real estate settlement received in late June and results were slightly better than expected however full impact will not be known until the 2<sup>nd</sup> half settlement is received in October.

Not all of the supply and capital projected amount was used. About \$130,000 was a matter of timing and is included in FY 2017.

Overall the cash balance ended \$916,103 higher than projected.



# Forecast Summary



Revenues increased through FY 2016 because of the new levy and also increases in state funding.

Projected revenue is stagnant to slightly declining because no new levies are modeled and state funding is modeled to decline (guarantee factor).



# Key Revenue Note

- Real Estate (page 4)
- State Funding Guarantee (page 8)

Page numbers refer to forecast report.

1.035 - Unrestricted Grants-in-Aid		Revenue Detail Note					Loveland City Schools
		Actual	Projected				
Percentage of Total Revenue:		2016	2017	2018	2019	2020	2021
26.8%		Not Projected Based Upon Previous Fiscal Year					
5.1	15 Foundation Basis for Guarantee (Less CTC in '17+)	12,366,420	\$12,324,096	\$12,324,096	\$12,324,096	\$12,324,096	\$12,324,096
FY15 Final Funding	\$12,366,420	Final Funding Amount	12,657,041	12,850,635	12,542,728	12,613,635	12,392,400

Current legislation sets the district's prior year guarantee amount at the FY 2015 level.

In this budget the moved the guarantee year from FY 2013 to FY 2015.

If, in the next budget the same process is followed the district could benefit from FY 2017's peak funding level of \$12,850,635 instead of the lower FY 2015 amount.



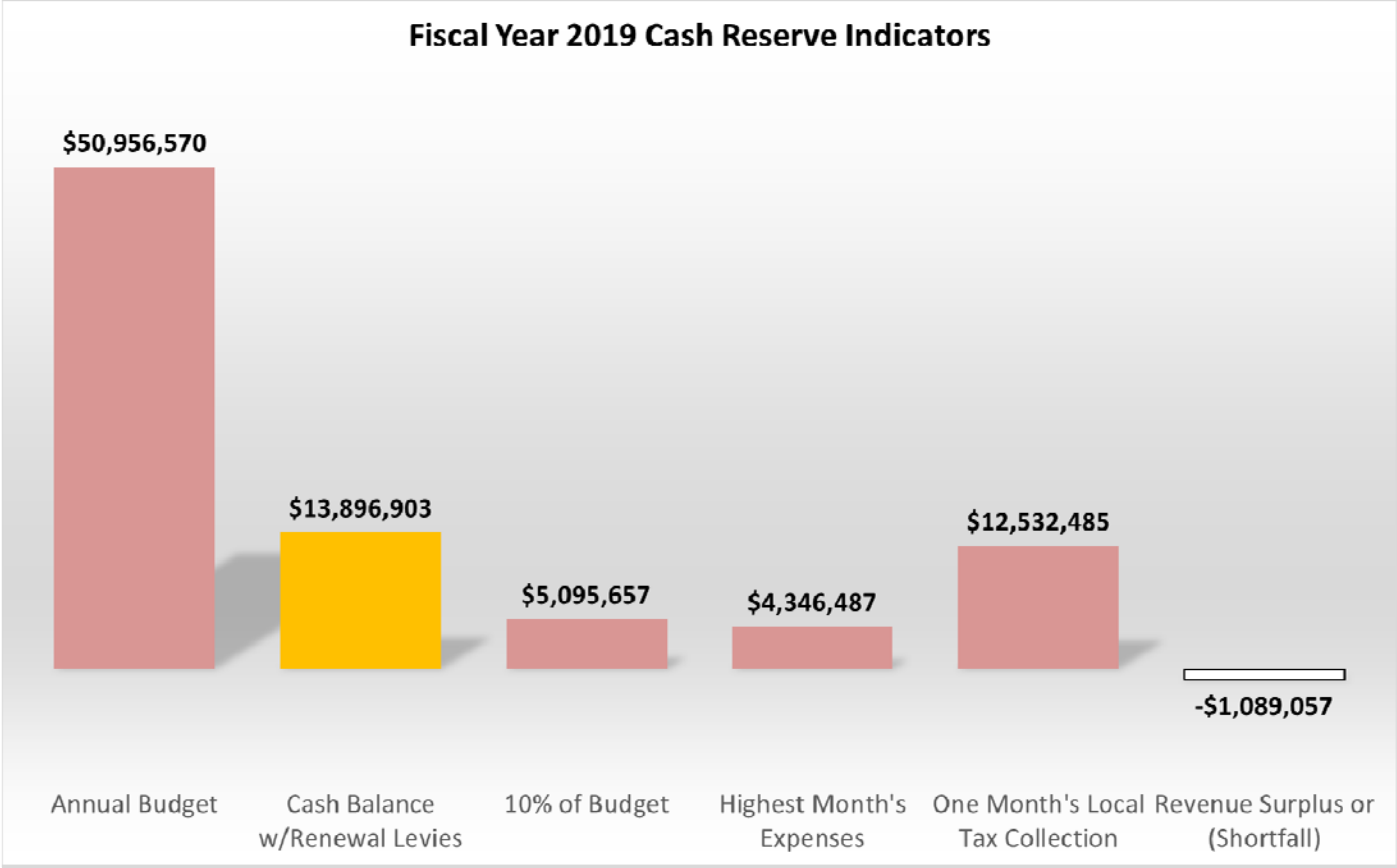
# Key Expenditure Notes

- Salaries (page 14)
- Benefits (page 15)
- Instructional Supplies (page 17)
- Instructional Capital (page 18)

Page numbers refer to forecast report.



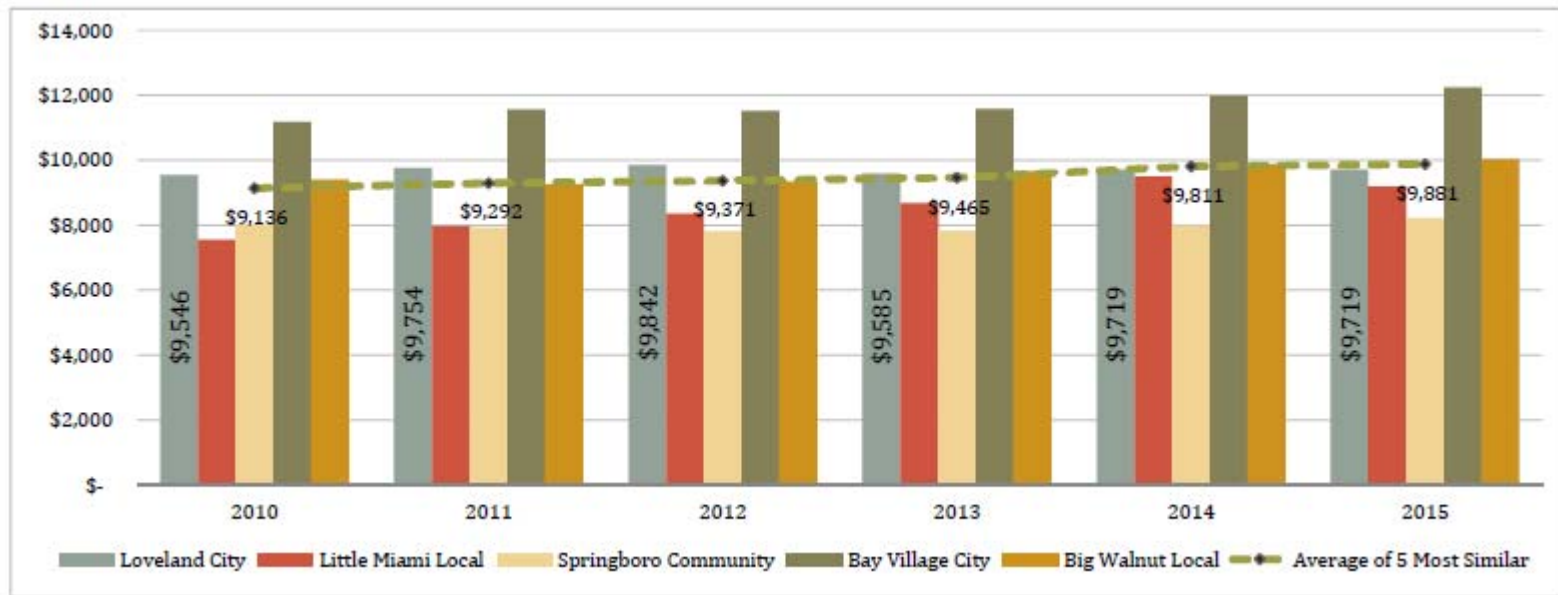
# Cash Reserve Analysis



The FY 2019 projected cash balance stands favorably against relevant benchmarks. The district should strive for a cash balance between 10% of the budget and one month's local tax collection.



# Per Pupil Expenditures

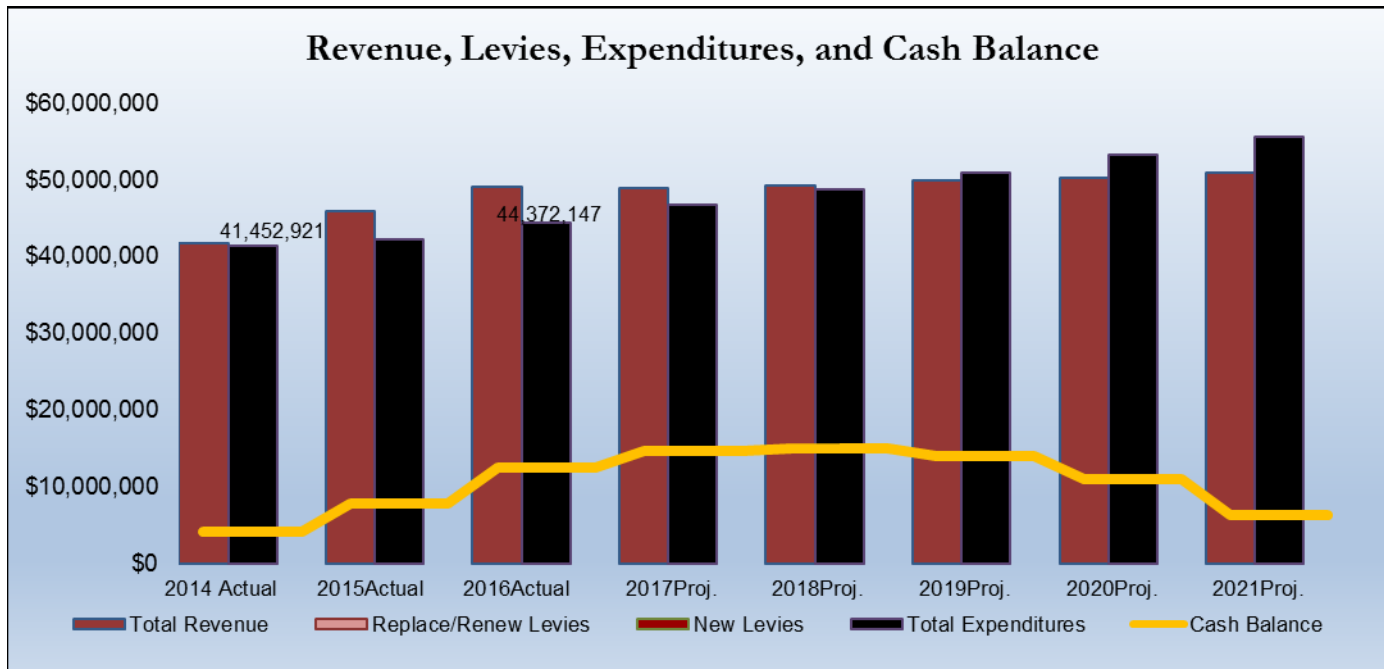


The district's per pupil expenditures have trended under the most similar district average for the past three years. Per pupil expenditures have increased less than 2.0% since 2010.





# Conclusion



The district is trending toward revenue shortfall.  
Cash reserves maintain stability.  
New levy discussion in about three years.

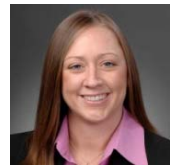
# The Public Finance Resources Team



**Matt Bunting**, Consultant, has over 25 years of experience in the public finance sector. This includes 15 plus years as a school district treasurer, and 11 years with the Auditor of State where he led financial, legal compliance, and Federal single audits of government entities. Matt has served as interim school treasurer several times, as well as worked with Ernie and Stacy to test their forecasting software and instruct at their yearly seminars. He holds an Associates Degree in Accounting from Hocking College, and is a Certified Government Financial Manager.



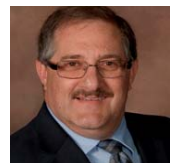
**Ryan Ghizzoni**, Consultant, began his career with the Auditor of State's Office and has served as a school district treasurer for the past 10 years. During his career, he has been the recipient of six Association of School Business Officials International Meritorious Budget Awards and was the recipient of the Ohio Association of School Business Officials 2011 Outstanding Treasurer of the Year Award. Ryan holds a Bachelors of Business Administration from the Youngstown State University, and is a Certified Administrator of School Finance and Operations.



**Debra Hoelzle**, Chief Operations Officer, provides direct services to clients, and oversees the day-to-day operations of PFR. She brings with her operational experience from both the public and private sectors, including a school district and multiple corporations in the financial services industry. Debra holds her Masters of Business Administration from Ohio University, and her Bachelors of Science in Business Administration from The Ohio State University.



**Stacy Overly**, Consultant, provides direct financial services to clients. He has over 20 years of experience serving as school district treasurer, including 15 plus years of developing financial forecasting tools, and providing instruction and training opportunities attended and used by over two hundred of Ohio's public school treasurers. Stacy works with clients to analyze trends and review local economic data to help determine a long-term operating strategy for the organization. He holds his Masters of Business Administration and his Bachelors of Business Administration in Finance from Ohio University.



**Mike Sobul**, Consultant, brings 30 years of experience in public finance and tax analysis. Currently a school district treasurer, Mike spent nearly 25 years with the Ohio Department of Taxation where he led revenue forecasting efforts and provided analysis, training, and fiscal services to schools and local governments. Mike holds a Masters Degree in Public Policy from the University of Michigan and a Bachelors Degree in Economics and Political Science from Wittenberg University.



**Ernie Strawser**, Consultant, provides direct services to our public finance clients. He has over 30 years of public finance experience as a CFO, consultant, and developer and instructor of financial forecasting techniques and tools which have been used by over two hundred Ohio school district CFOs. Ernie works with clients to facilitate their understanding of local financial results, trends, and strategies. He holds both a Masters of Science in Administration from Central Michigan University and a Bachelor of Science in Finance from Ohio University.



# Services

- Five Year Forecast Software → *More than a compliance document*
  - Cash flow monitoring
  - Modeling scenarios
  - Graphics and dashboards
  - Planning tool
- Consulting → *Maximize your effectiveness*
  - Financial consulting and cash flow monitoring
  - Forecast review and analysis, “what if” planning
  - Presentations to key stakeholders
  - Special Projects
- Data Interpretation → *Data driven decision making*
  - Multi-year data sets to identify trends
  - Benchmark analysis reports to see how you compare
  - Graphics that are easy to read, understand and explain
  - Data driven decision making



# PFR Contact Information

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