



Loveland City Schools

# **Five Year Forecast Financial Report**

October, 2018

*Kevin Hawley, CFO*

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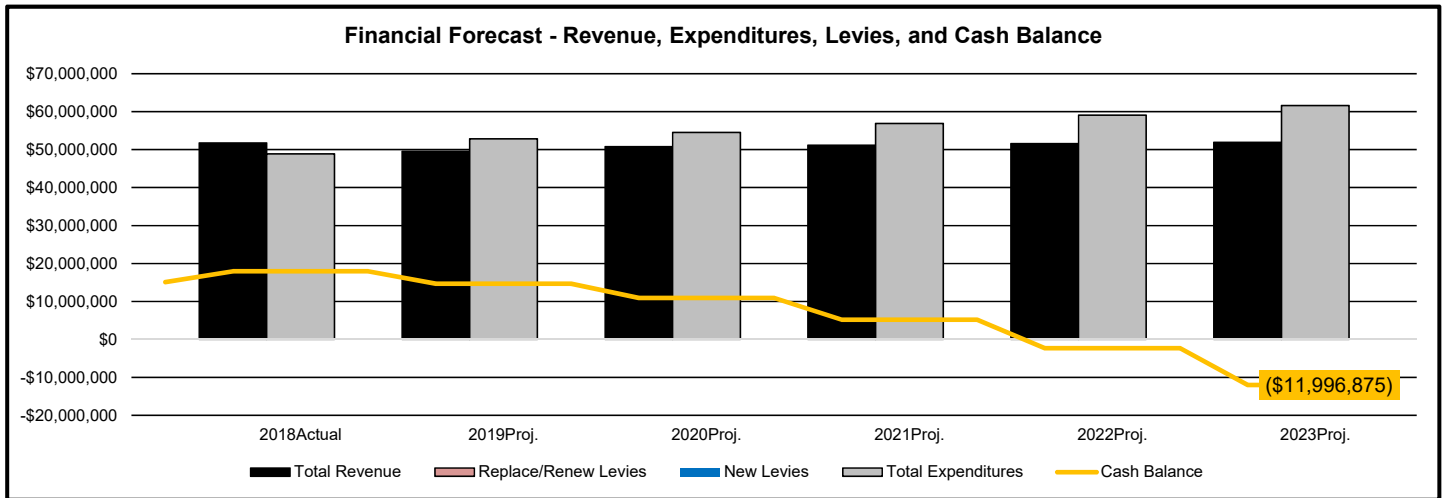
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## Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

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.



Loveland City Schools

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	17,945,188	14,676,402	10,921,442	5,176,309	(2,323,630)
+ Revenue	49,569,977	50,757,964	51,158,196	51,593,023	51,927,873
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(52,838,763)	(54,512,924)	(56,903,329)	(59,092,962)	(61,601,118)
= Revenue Surplus or Deficit	(3,268,786)	(3,754,960)	(5,745,133)	(7,499,939)	(9,673,245)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	14,676,402	10,921,442	5,176,309	(2,323,630)	(11,996,875)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(3,268,786)	(3,754,960)	(5,745,133)	(7,499,939)	(9,673,245)
Ending Balance w/o Levies	14,676,402	10,921,442	5,176,309	(2,323,630)	(11,996,875)

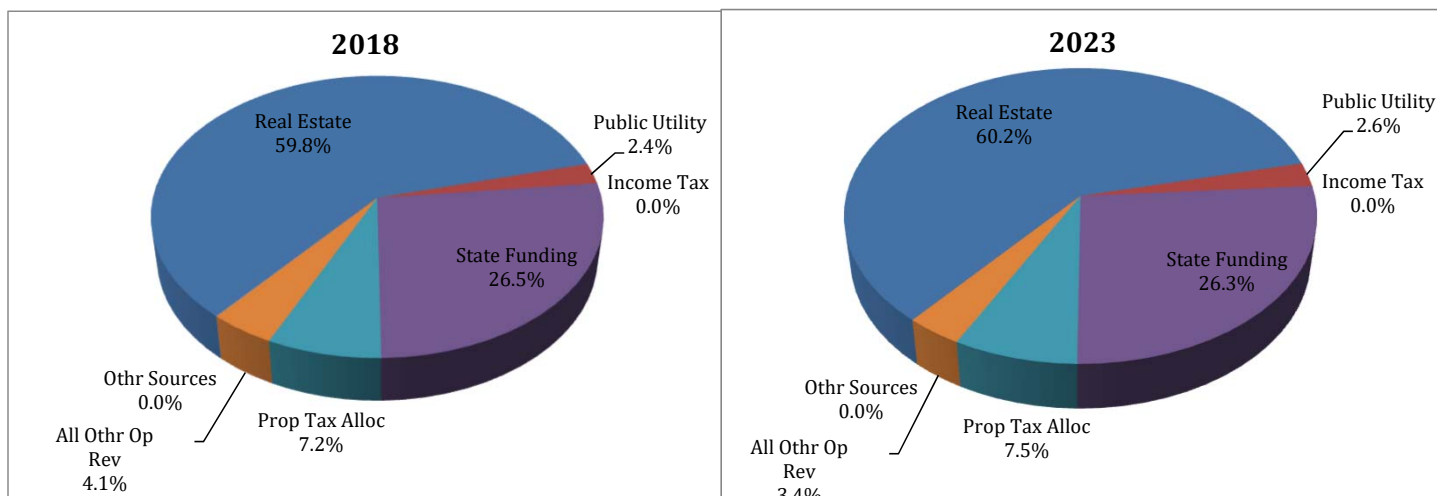
The current forecast reflects a continued trend of constrained revenue growth that cannot keep pace with inflationary cost pressures and program needs. Expenditures continue to exceed revenues throughout the forecast. The result is that the district's cash balance is increasingly consumed by FY 2023.

Because of the most recent growth in state funding realized over the past few years, the district has captured a peak level of state funding that is essentially guaranteed through FY 2023 under the current state funding formula. The forecast assumes that the district's enrollment will remain stable and that the state funding formula will continue to honor prior year level of funding as a guarantee level.

The district's last local tax levy was approved in calendar year 2014. The current forecast indicates a stable financial condition in the interim period through FY 2020, but additional revenue strategies will need to be developed and implemented within the forecast period.

The current forecast reflects that additional local levy revenue is needed no later than FY 2021.

## Revenue Sources and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Revenue:</b>							
1.010-Real Estate	5.18%	-6.56%	4.85%	1.05%	1.14%	0.85%	0.26%
1.020-Public Utility	9.37%	-9.82%	12.45%	3.18%	3.08%	2.99%	2.38%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	4.57%	-0.39%	0.02%	0.02%	0.03%	0.04%	-0.06%
1.040-Restricted Aid	103.01%	3.01%	-0.05%	0.00%	0.00%	0.03%	0.60%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	1.19%	0.56%	0.75%	1.17%	1.19%	0.83%	0.90%
1.060-All Other Operating	18.30%	-15.81%	-0.82%	-0.24%	-0.22%	-0.20%	-3.46%
1.070-Total Revenue	5.19%	-4.86%	3.16%	0.79%	0.85%	0.65%	0.12%
2.070-Total Other Sources	46.63%	2739.59%	-100.00%	0.00%	0.00%	0.00%	1319.79%
2.080-Total w/Other Srcs	5.08%	-4.18%	2.40%	0.79%	0.85%	0.65%	0.10%

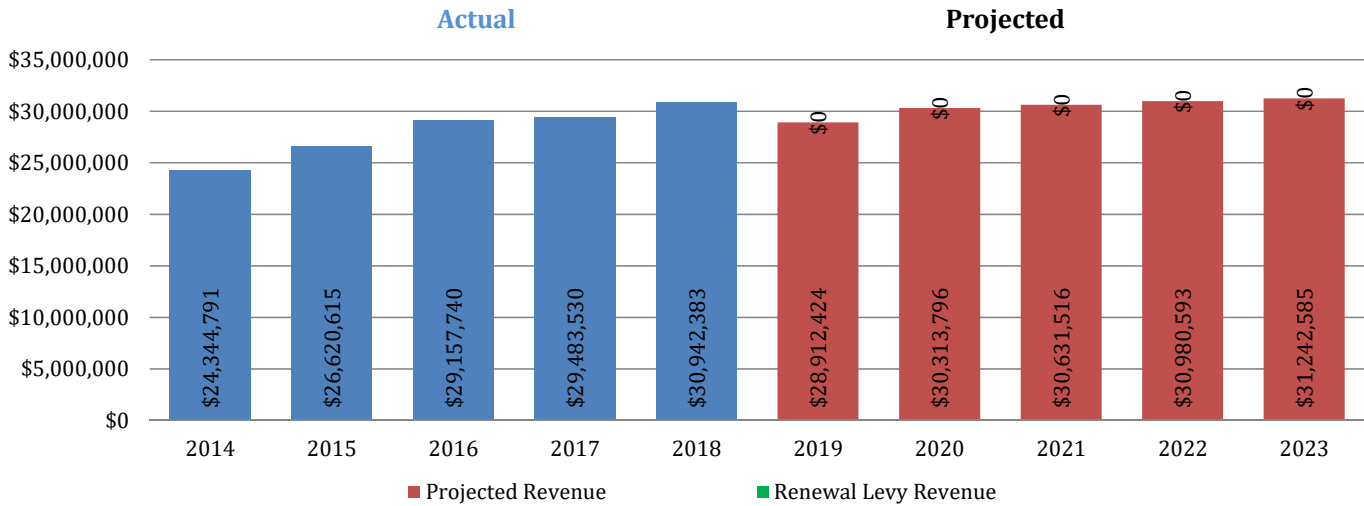
The district's historical revenue change increased because of a new levy passed in calendar year 2014 for collection in calendar year 2015; thus impacting FY 2015 and beyond. No new levies are reflected in the forecast period ending FY 2023.

The district's state revenue status has fluctuated over the past few years. The status has ranged from straight formula, to guaranteed, to 'capped.' The current modeling strongly suggests that the district's state funding has peaked and will remain static through FY 2023. The implication is that state revenue will not support additional academic resources for the district.

The average annual operating revenue growth of .12% through FY 2023 is significantly under historical inflationary trends and the district's projected expenditure trend increase. Consequently, the district's cash balance will be consumed and additional resources or program reductions will be needed.

### 1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	30,942,383	28,912,424	30,313,796	30,631,516	30,980,593	31,242,585
YOY \$ Change	1,458,853	(2,029,959)	1,401,372	317,720	349,077	261,992
YOY % Change	4.9%	-6.6%	4.8%	1.0%	1.1%	0.8%

Percentage of Total Revenue	59.8%	58.3%	59.7%	59.9%	60.0%	60.2%
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Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2017	854,402,840	65,017,730	39.38	(2.76)	43.06	(0.81)	99.8%
2018	862,046,012	7,643,172	39.29	(0.08)	43.26	0.20	99.6%
2019	870,224,883	8,178,871	39.21	(0.08)	43.46	0.20	99.6%
2020	934,812,316	64,587,433	36.99	(2.22)	42.31	(1.14)	99.5%
2021	944,214,178	9,401,862	36.91	(0.08)	42.51	0.19	99.5%
2022	953,540,678	9,326,500	36.83	(0.08)	42.70	0.19	99.5%

Real estate property tax revenue comprises 58.3% of the district's revenue.

Tax rates and property values are the key components. Revenue increased in FY 2015 due to a 5.6 mill levy that was passed in May, 2014. Full collections on that new levy were realized by FY 2016. The district's residential effective tax rate for operating levies was 39.38 for collection in 2018. The rate is down from collection year 2017's level of 42.14. Residential valuation is assessed at 35% of appraised.

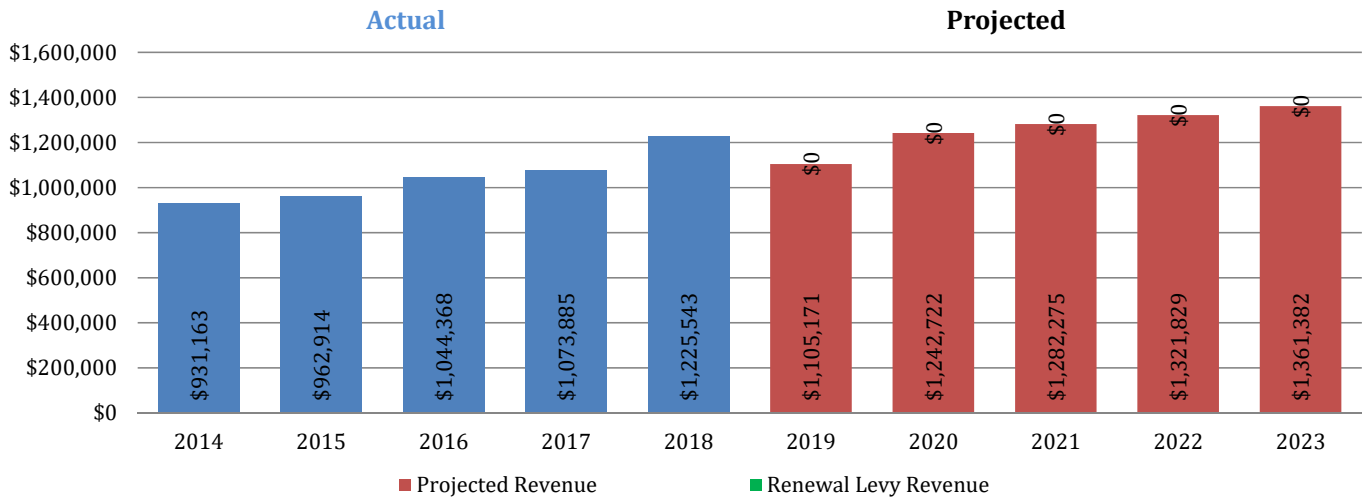
Real estate growth in FY 2018 and 2019 is attributed to the county's reappraisal. Residential values increased 7.9% in calendar year 2017 for collection in 2018. Actual revenue growth from the inflationary valuation increases is constrained because of Ohio's HB 920 which rolls back outside tax millage (rates) commensurate with inflationary increases to limit actual revenue growth. No new levies are modeled in the forecasted revenue. The district's taxpayers continue to pay taxes at an average of 99% of taxes billed. The forecast is modeling a consistent 99.5% gross (current + delinquent) collection rate for the forecasted period.

As a result of tax reform that took effect prior to January 1, 2018, tax receipts for Fiscal Year 2018 showed a higher than anticipated tax collection. Consequently, in Fiscal Year 2019 it is anticipated that tax collections will be lower than historical trends. Overall property tax revenues were not impacted by the tax reform only the timing of the collections.

\*Projected % trends include renewal levies

### 1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	1,225,543	1,105,171	1,242,722	1,282,275	1,321,829	1,361,382
YOY \$ Change	151,658	(120,372)	137,551	39,553	39,554	39,553
YOY % Change	14.1%	-9.8%	12.4%	3.2%	3.1%	3.0%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	2.4%	2.2%	2.4%	2.5%	2.6%	2.6%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	15,654,850	1,248,910	75.34	-	99.7%
2018	16,179,850	525,000	75.34	-	100.0%
2019	16,704,850	525,000	75.34	-	100.0%
2020	17,229,850	525,000	75.34	-	100.0%
2021	17,754,850	525,000	75.34	-	100.0%
2022	18,279,850	525,000	75.34	-	100.0%

Public utility property (gas lines, power grids, etc.) generates only 2.2% of the district's revenue.

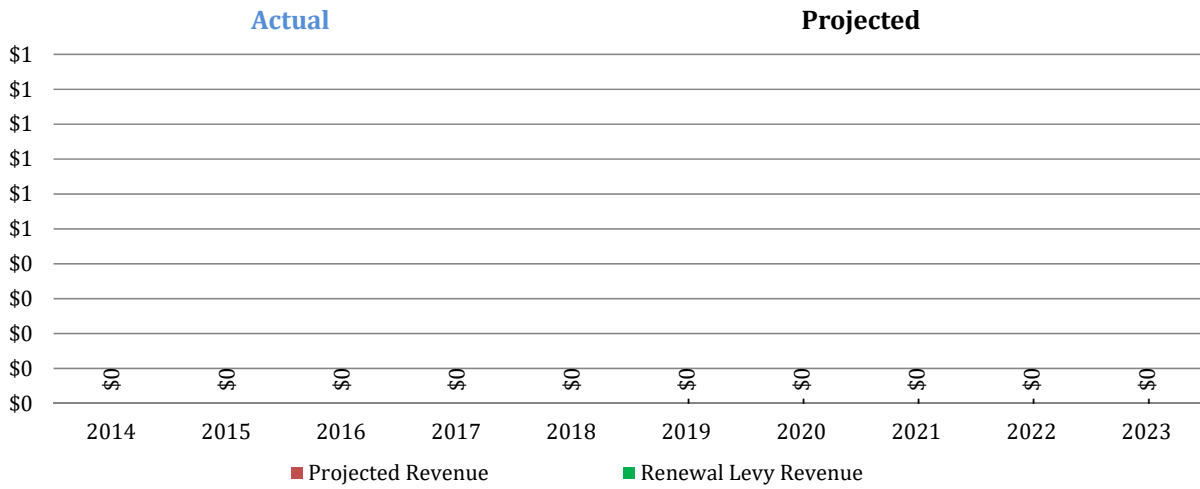
The valuation is taxed at the district's full voted tax rate, which was 75.34 mills (\$7.53 per \$1,000 of assessed valuation) for collection in calendar year 2018.

Public Utility Valuation growth was 8.7% for tax year 2017 (collected 2018) and has averaged 10% annually since 2013. The projected valuation growth averages 3.1% per year for tax years 2018 through 2023.

\*Projected % trends include renewal levies

### 1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



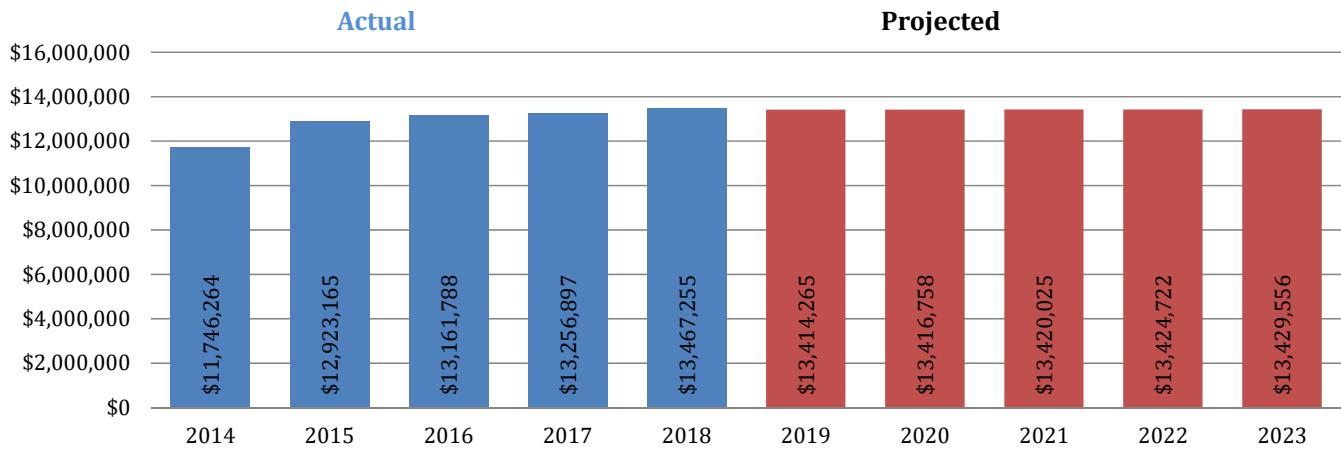
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The District does not have an income tax.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	13,467,255	13,414,265	13,416,758	13,420,025	13,424,722	13,429,556
YOY \$ Change	210,358	(52,990)	2,493	3,267	4,697	4,834
YOY % Change	1.6%	-0.4%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	26.0%	27.1%	26.4%	26.2%	26.0%	25.9%
Core Funding Per Pupil	6,010	6,020	6,050	6,100	6,150	6,200
State Share Index (SSI)	35.5%	35.5%	34.7%	34.7%	34.6%	34.6%
State Core Funding Per Pupil	2,136	2,140	2,100	2,117	2,129	2,146
Formula ADM (Funded Student Count)	4,487	4,499	4,514	4,515	4,513	4,531
Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee

The state's per pupil funding formula generates 27% of the district's revenue. Beginning in FY 2014, Ohio implemented a new funding formula. That particular formula provided noteworthy funding increases for Loveland, but the totals were limited by funding caps imposed by the state due to limited state funding.

The State adopted a new budget to fund schools in FY 2016 and FY 2017. The core formula remained similar to the immediate past formula which relies upon a state share percentage calculated by utilizing a combination of valuation per pupil and median income per pupil. The state's share of per pupil funding in FY 2018 was 35.5%, which only provided \$2,136 of the state's core aid per pupil of \$6,010 to Loveland.

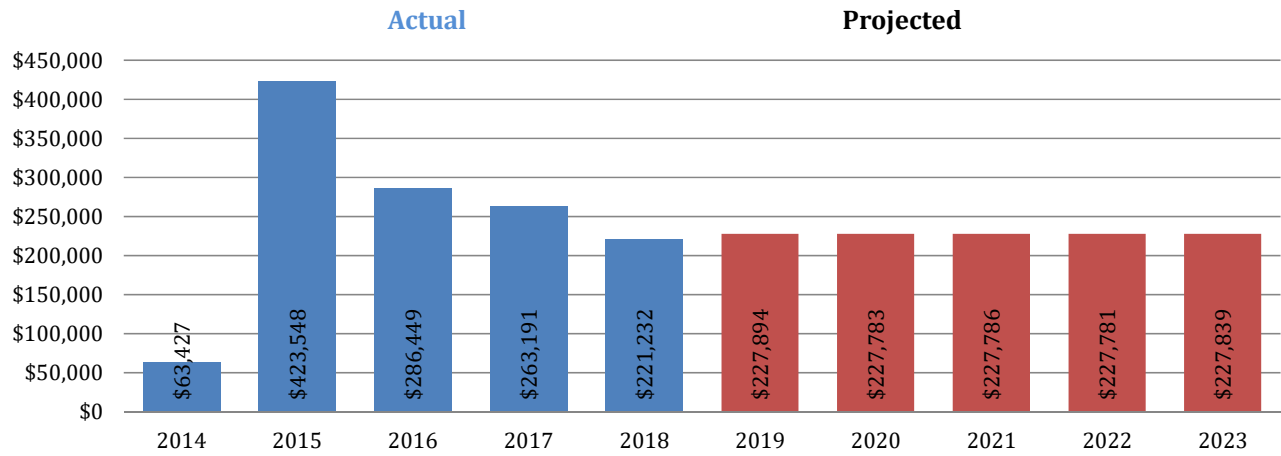
State funding peaked in FY 2017 except for some minor categorical fluctuation. This peak is significant because the current formula results in a flat but guaranteed level of funding as evidenced by the bar chart above. The FY 2017 peak level which had been discussed in prior forecasts will be the basis for FY 2019 and beyond. The district could be significantly relying on state 'guarantee' funds by FY 2023. Current estimates show it would take an increase of 235 students to offset guarantee funds and begin generating additional dollars.

The primary conclusion is that the state funding formula is not expected to provide any additional funding to Loveland CSD through FY 2023. But also, the level of state funding is not projected to decline based upon current legislation.



### 1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	221,232	227,894	227,783	227,786	227,781	227,839
YOY \$ Change	(41,959)	6,662	(111)	3	(5)	58
YOY % Change	-15.9%	3.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%
Economic Disadvantaged Funding	14,384	14,554	14,479	14,482	14,477	14,535
Percentage of Disadvantaged Students	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%

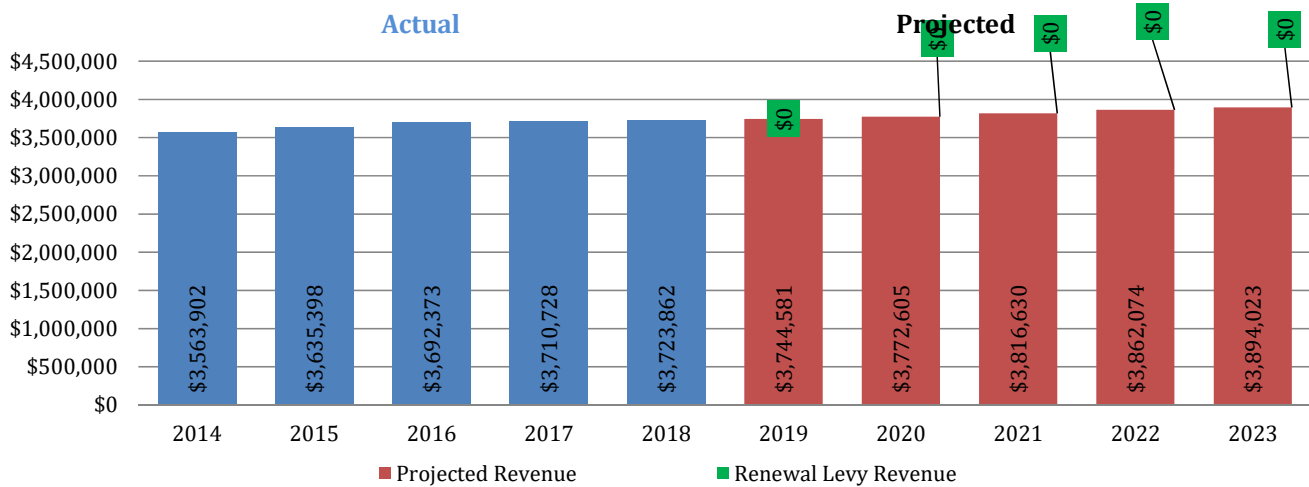
A portion of the district's per pupil formula funding must be classified as restricted.

This is funding for economic disadvantaged (\$14,384 in FY 2018) and career technical program reimbursement (\$68,340 in FY 2018).

In addition, the district receives catastrophic special education funding that is classified as restricted. These revenue sources are projected to remain relatively unchanged through the forecast period. The district did receive two years of catastrophic reimbursement in FY 2015, but going forward the forecast models a single year's reimbursement for FY 2019 through FY 2023.

### 1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	3,723,862	3,744,581	3,772,605	3,816,630	3,862,074	3,894,023
YOY \$ Change	13,134	20,719	28,024	44,025	45,444	31,949
YOY % Change	0.4%	0.6%	0.7%	1.2%	1.2%	0.8%
Percentage of Total Revenue	7.2%	7.6%	7.4%	7.5%	7.5%	7.5%
% of Residential Real Estate 10% Rollback	8.66%	8.66%	8.66%	8.66%	8.66%	8.66%
% of Residential Real Estate 2.5% Rollback	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%
% of Residential Real Estate Homestead	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%

The state's reimbursement for local property taxes made up 7.2% of the district's revenue in FY 2018.

The primary sources for this revenue are residential rollback (12.5% on owner/occupied), which is projected to be \$3.3 million in FY 2019, and homestead which is projected to be \$376,700.

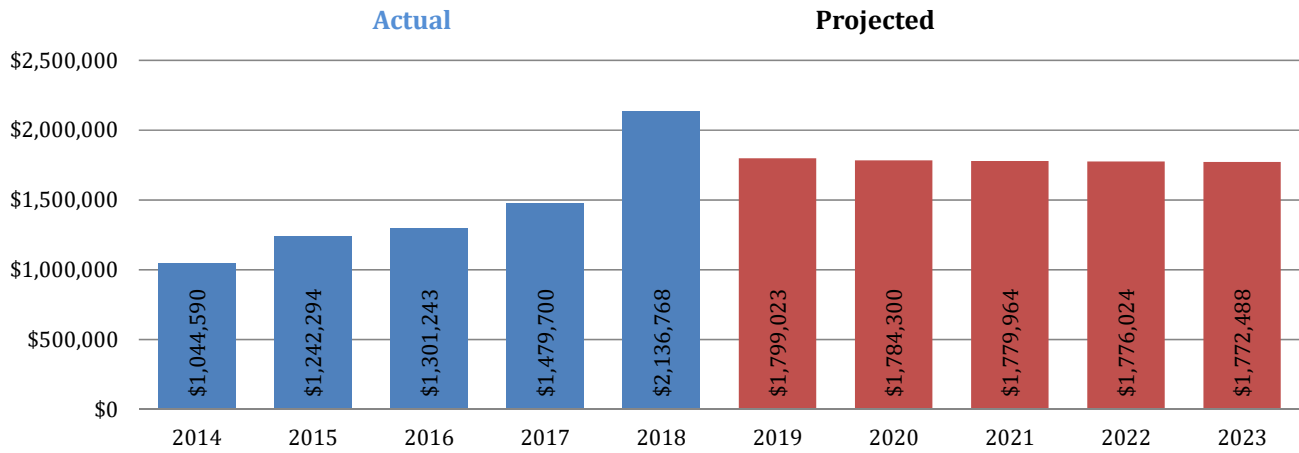
Due to legislative changes the district's 2014 levy does not qualify for state reimbursement of the 10% and 2.5% rollback. As such, there was no increase in reimbursement in 2015 commensurate with the local property tax revenue increase. Property tax allocation revenue is a percentage function of Class I residential taxes billed. With the new levy included, about 12.8% of the district's total millage does not qualify for reimbursement. This change in state tax policy shifts more cost onto the local taxpayer and less on the state as a whole.

Future new levies will be treated similarly with no state reimbursement or reduction of local taxes. In addition, federal tax law changes in 2017 will reduce the deduction of local property taxes for some taxpayers. Both of these factors could challenge taxpayers considering new levies in the future.

*\*Projected % trends include renewal levies*

### 1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	2,136,768	1,799,023	1,784,300	1,779,964	1,776,024	1,772,488
YOY \$ Change	657,068	(337,745)	(14,723)	(4,336)	(3,940)	(3,536)
YOY % Change	44.4%	-15.8%	-0.8%	-0.2%	-0.2%	-0.2%
Percentage of Total Revenue	4.1%	3.6%	3.5%	3.5%	3.4%	3.4%

Tuition received from others is about 26.9%, or \$496,977 of the total 'other operating revenue' category in FY 2019 projections.

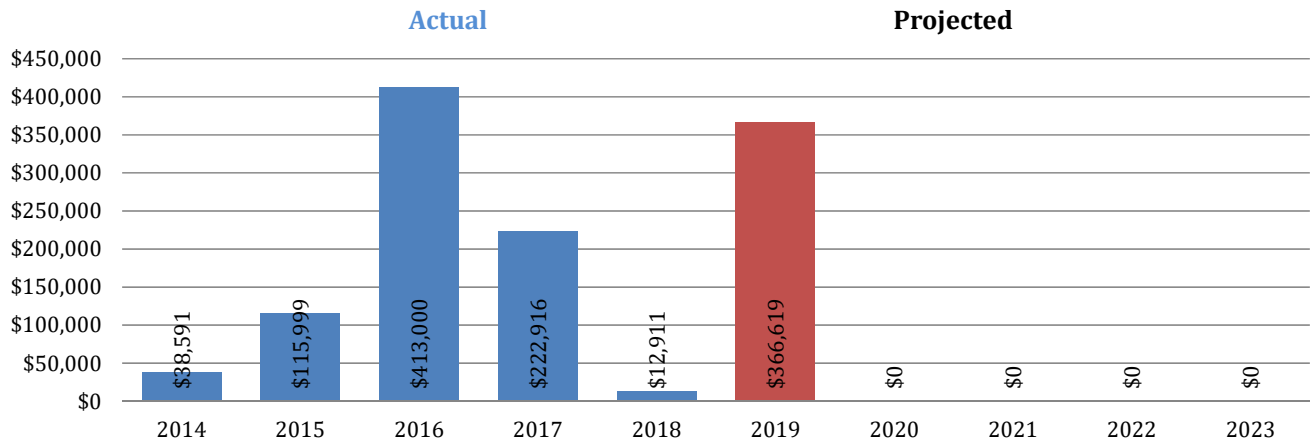
Various fees (including classroom) account for about 58%, or \$1,029,103 of the category. Tax Incremental Financing (TIF) revenue is estimated at \$485,000 for FY 2019, which is approximately 26.9% of the total "other operating revenue".

The FY 2019 and beyond projections are based upon the historical levels established in FY 2018 and also the addition of kindergarten tuition fees starting in FY 2018.

Interest revenue totaled \$294,865 in FY 2018 or 13.8% of the total other operating revenue.

## 2.070 - Total Other Financing Sources

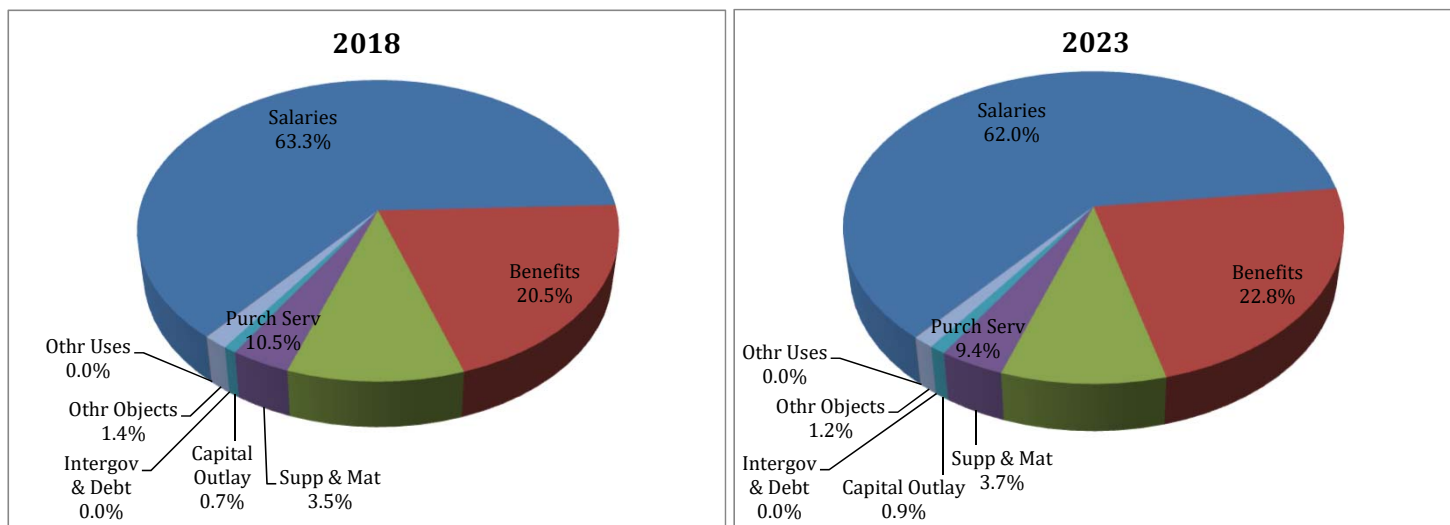
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	12,911	366,619	-	-	-	-
YOY \$ Change	(210,005)	353,708	(366,619)	-	-	-
YOY % Change	-94.2%	2739.6%	-100.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-

Total other sources include refunds and reduction in prior year expenditures.

### Expenditure Categories and Forecast Year-Over-Year Projected Overview



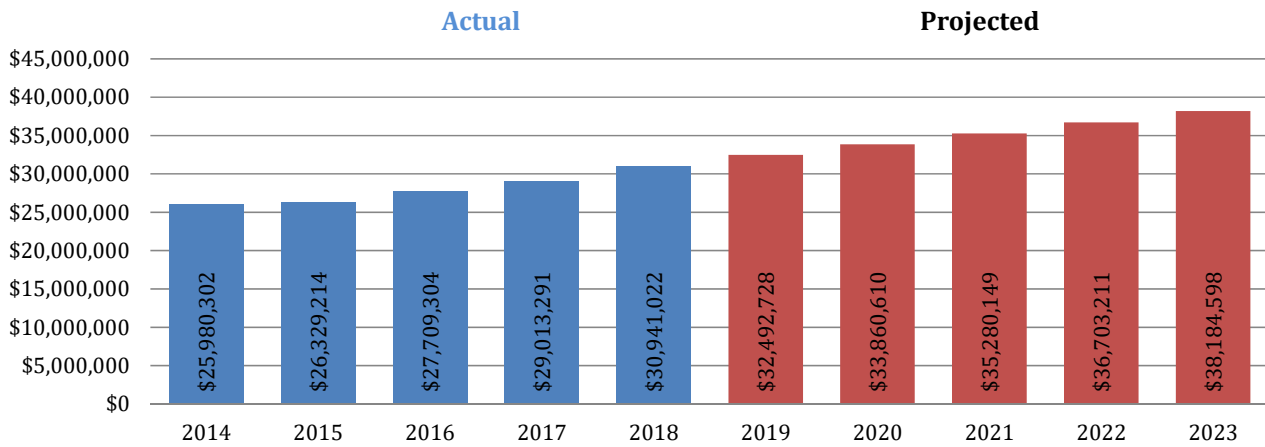
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Expenditures:</b>							
3.010-Salaries	3.56%	5.02%	4.21%	4.19%	4.03%	4.04%	4.30%
3.020-Benefits	1.31%	8.99%	6.97%	6.32%	6.28%	6.33%	6.98%
3.030-Purchased Services	8.62%	8.40%	-1.98%	1.41%	2.34%	2.34%	2.50%
3.040-Supplies & Materials	6.58%	45.21%	-14.31%	2.00%	2.01%	2.03%	7.39%
3.050-Capital Outlay	914.43%	83.61%	0.00%	14.93%	-25.97%	0.00%	14.51%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	1.68%	-1.77%	1.85%	1.85%	1.85%	1.85%	1.12%
4.500-Total Expenditures	3.66%	8.09%	3.17%	4.39%	3.85%	4.25%	4.75%
5.040-Total Other Uses	-11.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5.050-Total w/Other Uses	3.65%	8.09%	3.17%	4.39%	3.85%	4.24%	4.75%

Expenditures grew at an average annual rate of 3.66% over the past five years.

The current forecast provides that expenditures will grow at an average annual rate of 4.75% (up slightly from May's 4.4%) for the period FY 2019 through FY 2023.

### 3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	30,941,022	32,492,728	33,860,610	35,280,149	36,703,211	38,184,598
YOY \$ Change	1,927,731	1,551,706	1,367,882	1,419,539	1,423,062	1,481,387
YOY % Change	6.6%	5.0%	4.2%	4.2%	4.0%	4.0%
Percentage of Total Budget	63.3%	61.5%	62.1%	62.0%	62.1%	62.0%

Salary costs are 61.5% of the budget in FY 2019, and have been contained to an average annual growth rate of 3.56% over the past five years.

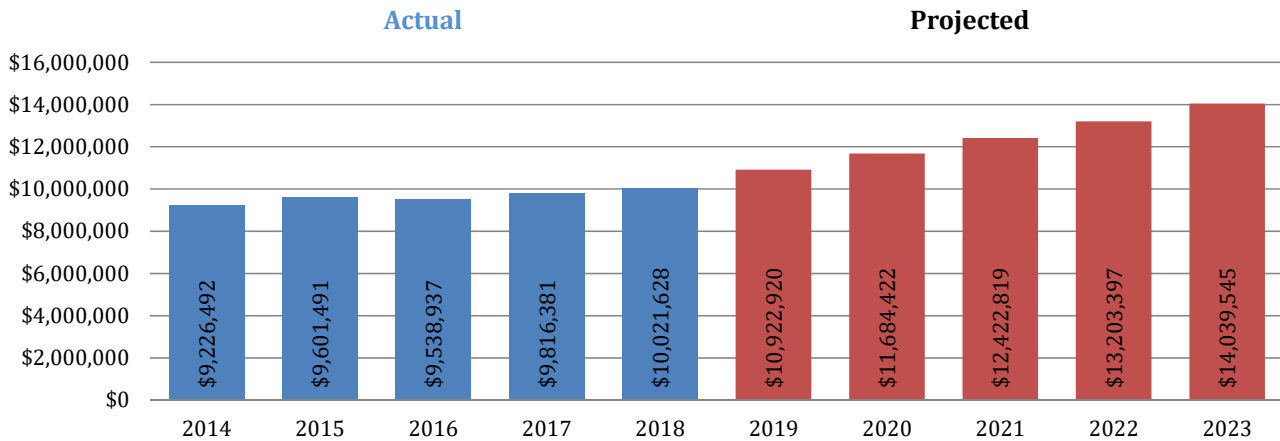
The year-over-year change in projected salaries reflected above is a function of both the number of employees and changes in salaries paid. In addition, classified paraprofessionals are projected to increase by 2.0 FTE's starting in FY 2019.

Changes in salaries paid are for experience, education changes, and negotiated salary changes. Certified employees comprise about 69% of total salaries, classified is 19%, and administrative is 6.3%.

An annual rate of 4.3% growth is projected to help address certified experiential step and degree changes, as well as some inflationary growth.

### 3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	10,021,628	10,922,920	11,684,422	12,422,819	13,203,397	14,039,545
YOY \$ Change	205,247	901,292	761,502	738,397	780,578	836,148
YOY % Change	2.1%	9.0%	7.0%	6.3%	6.3%	6.3%
Percentage of Total Budget	20.5%	20.7%	21.4%	21.8%	22.3%	22.8%

Benefits are 21% of the district's yearly expenditures. Health insurances (medical, dental, life, etc.) accounted for just over 51% of total benefits, with the remainder allocated for salary-driven fringe benefits such as employer retirement contributions.

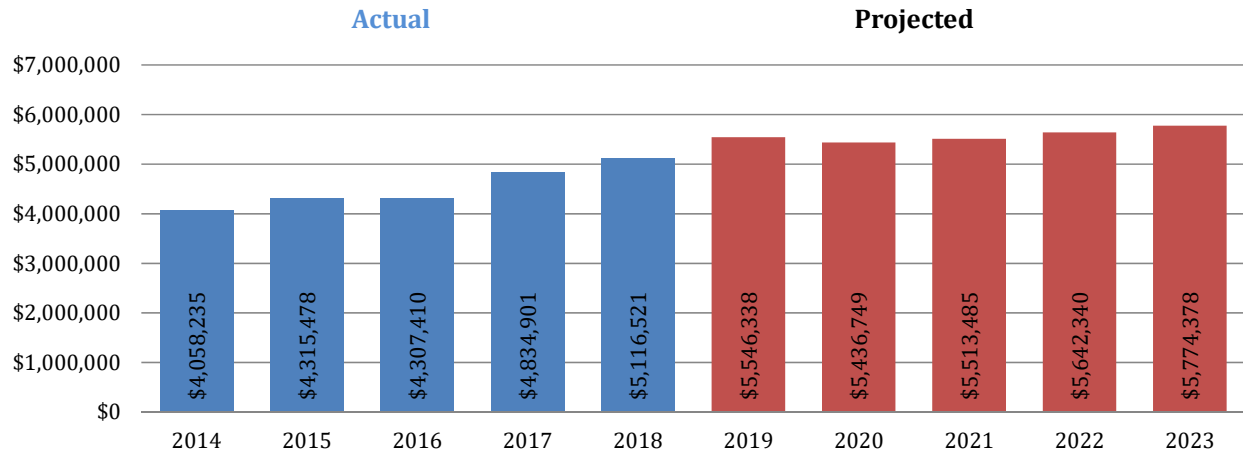
The district's benefit costs increased above trend in FY 2015 because of a one-time advance payment made to establish health insurance premiums as current status rather than a one-month delay. The elimination of this one-time payment in FY 2016 reduces the district's growth below historical trends. The district's FY 2017 and FY 2018 health insurance premium remained at the FY 2016 level (0.0% change).

Health insurance premiums are projected to increase 10.0% in FY 2019 and FY 2020. Health insurance premiums are projected to grow at an annual rate of 8.0% in FY 2021 through FY 2023.

Outside of health insurance benefits (medical, dental & life insurance), most other benefits (such as retirement, workers compensation and Medicare) are salary driven and reflect increases consistent with projected staffing and wage increases. The number of health insurance plans is projected to grow commensurate with the FTE changes modeled in salaries.

### 3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	5,116,521	5,546,338	5,436,749	5,513,485	5,642,340	5,774,378
YOY \$ Change	281,620	429,817	(109,589)	76,736	128,855	132,038
YOY % Change	5.8%	8.4%	-2.0%	1.4%	2.3%	2.3%
Percentage of Total Budget	10.5%	10.5%	10.0%	9.7%	9.5%	9.4%

Purchased services are expenses for costs such as contracted transportation, utilities, tuition paid to other districts, etc., and accounted for 10.5% of the district's total expenditures in FY 2018.

Tuition costs for students attending elsewhere totaled 38% of the purchased service expense in FY 2018. Special education tuition costs made up about 69% of total tuition cost.

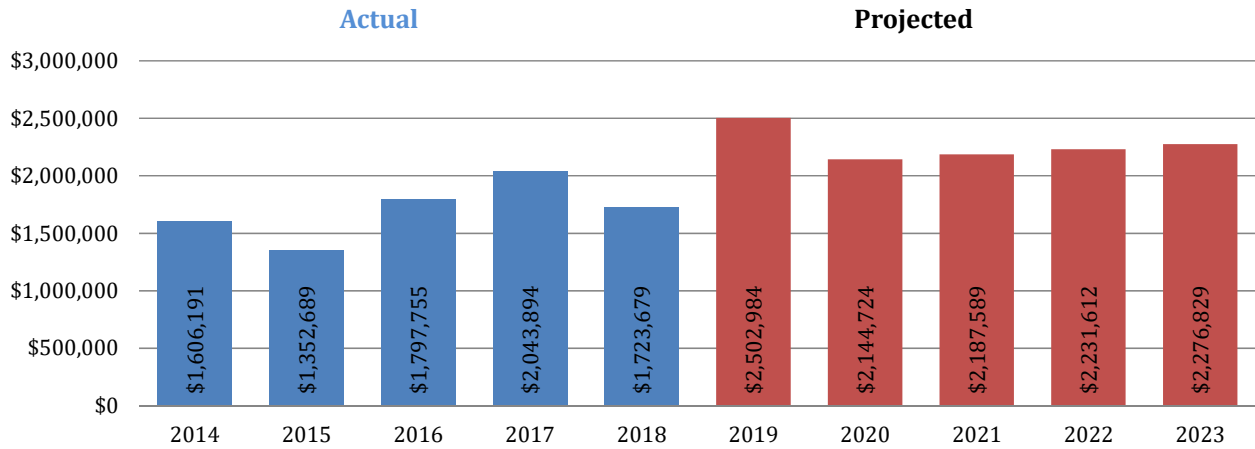
Utility costs were 12.6% of purchased service costs in FY 2017 and totaled \$648,762.

All other purchased services includes professional and technical services such as special needs student services.



### 3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,723,679	2,502,984	2,144,724	2,187,589	2,231,612	2,276,829
YOY \$ Change	(320,215)	779,305	(358,260)	42,865	44,023	45,217
YOY % Change	-15.7%	45.2%	-14.3%	2.0%	2.0%	2.0%
Percentage of Total Budget	3.5%	4.7%	3.9%	3.8%	3.8%	3.7%

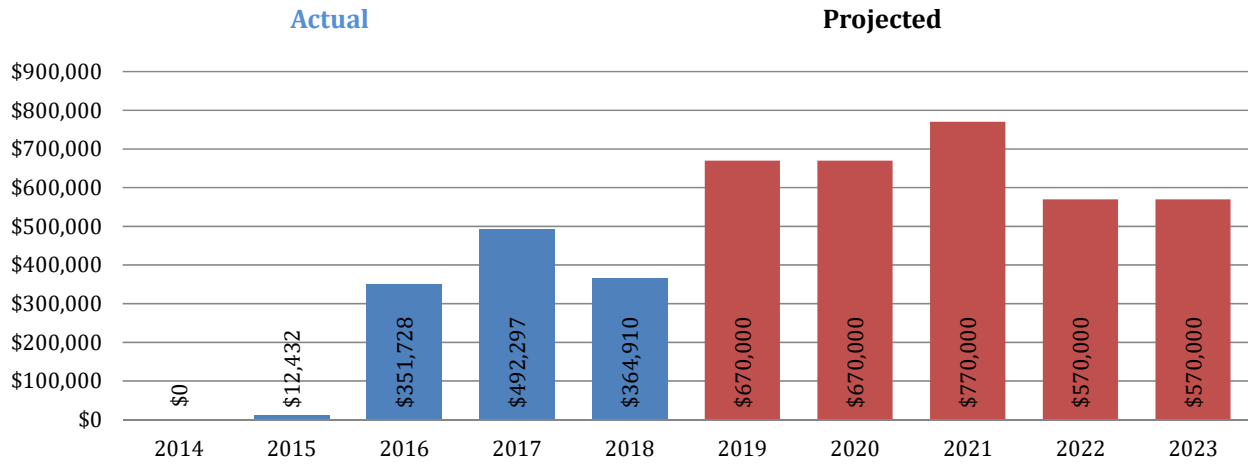
Supplies and materials represent 4.0% of the district's budget and have seen increases in recent years to further investment in instructional supplies and textbooks.

FY 2018 expenses were less than FY 2017 because of a delay in textbook purchases. The table below shows the district's investment in supplies and textbooks to support instruction.

Departmental Supply Expenses							
Description	2018	2019	2020	2021	2022	2023	
510 to 519 - All General Supplies	818,166	800,000	816,000	832,320	848,966	865,946	
520 to 529 - All Textbooks	56,997	400,000	400,000	400,000	400,000	400,000	
530 to 539 - All Library Books	0	25,000	25,000	25,000	25,000	25,000	
570 to 579 - All Custodial/Operational Supplies	221,826	210,000	214,200	218,484	222,854	227,311	
580 to 589 - All Transportation Supplies	575,713	592,984	610,774	629,097	647,970	667,409	
All Other Supplies	50,977	75,000	78,750	82,688	86,822	91,163	
<b>Total Departmental Supply Expenses</b>	<b>1,723,679</b>	<b>2,102,984</b>	<b>2,144,724</b>	<b>2,187,589</b>	<b>2,231,612</b>	<b>2,276,829</b>	

### 3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	364,910	670,000	670,000	770,000	570,000	570,000
YOY \$ Change	(127,387)	305,090	-	100,000	(200,000)	-
YOY % Change	-25.9%	83.6%	0.0%	14.9%	-26.0%	0.0%
Percentage of Total Budget	0.7%	1.3%	1.2%	1.4%	1.0%	0.9%

The district began increasing its investment of general fund resources in its instructional technology in FY 2016, the investment is projected to be sustained through the forecast period.

The capital outlay budgeted categories are in the table below.

Description	2017	2018	2019	2020	2021	2022	2023
Equipment Excluding 644 Object	309,727	364,910	400,000	400,000	400,000	400,000	400,000
Additional One-time Instructional			100,000	100,000	200,000		
Music Instruments/Production	0	0	100,000	100,000	100,000	100,000	100,000
All Other Capital Outlay	182,570	0	70,000	70,000	70,000	70,000	70,000

### 3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

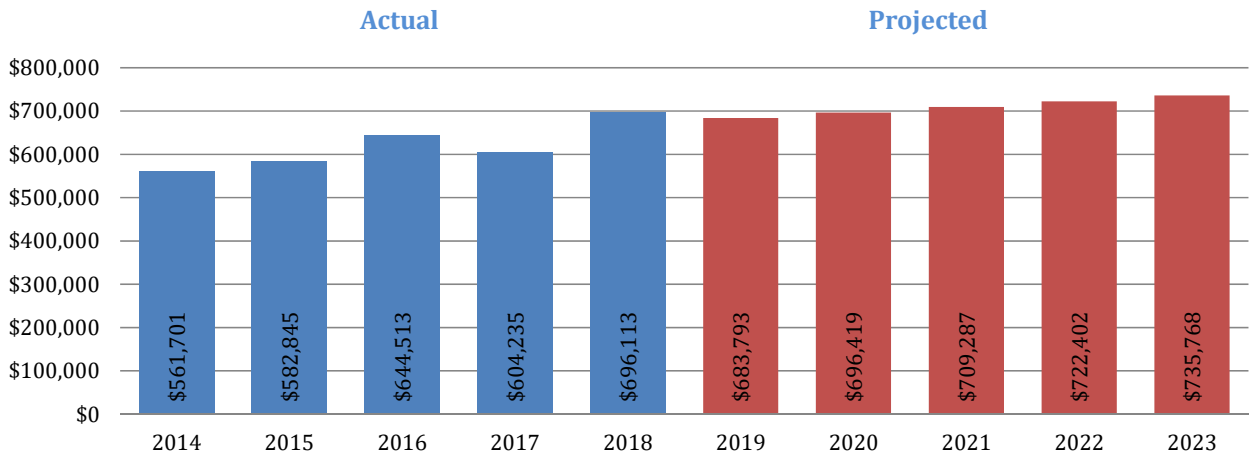
	Actual					Projected				
\$1										
\$1										
\$1										
\$1										
\$1										
\$1										
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\$0										
\$0										
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\$0										
\$0										
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

There are no general fund debt payments.

### 4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



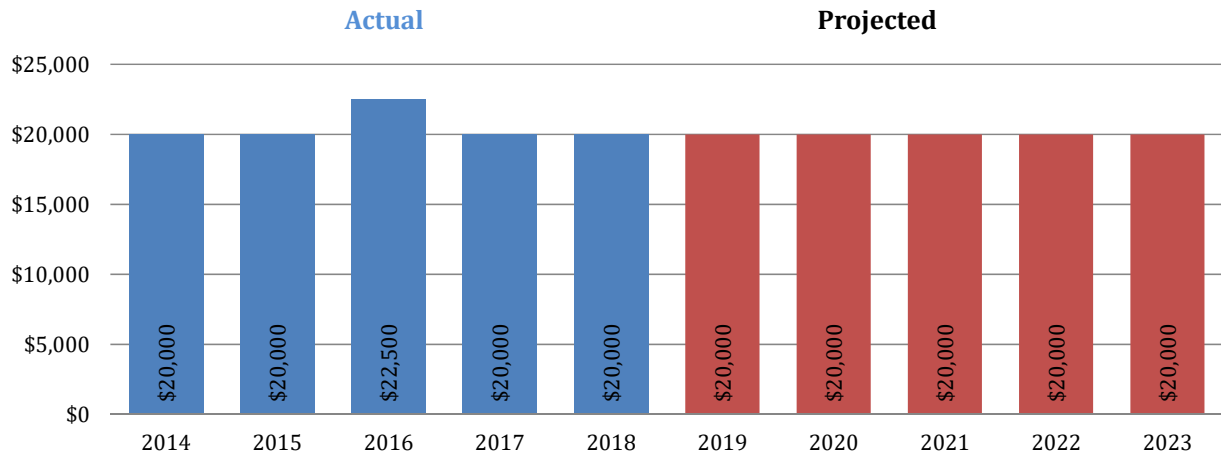
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	696,113	683,793	696,419	709,287	722,402	735,768
YOY \$ Change	91,878	(12,320)	12,626	12,868	13,115	13,366
YOY % Change	15.2%	-1.8%	1.8%	1.8%	1.8%	1.9%
Percentage of Total Budget	1.4%	1.3%	1.3%	1.2%	1.2%	1.2%

Other objects total 1.3% of the district's budget and are projected to grow in-line with historical trends.

One of the largest categories within 'other objects' is the fee charged by the county auditors and treasurers to bill, process and collect local property taxes for the district.

### 5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	20,000	20,000	20,000	20,000	20,000	20,000
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Percentage of Total Budget</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Transfers Out	20,000	20,000	20,000	20,000	20,000	20,000
Advances Out	-	-	-	-	-	-

The district's forecast includes small transfers to other funds as required.

**Loveland City Schools**

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	30,942,383	28,912,424	30,313,796	30,631,516	30,980,593	31,242,585
1.020 - Public Utility Personal Property	1,225,543	1,105,171	1,242,722	1,282,275	1,321,829	1,361,382
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	13,467,255	13,414,265	13,416,758	13,420,025	13,424,722	13,429,556
1.040 - Restricted Grants-in-Aid	221,232	227,894	227,783	227,786	227,781	227,839
1.050 - Property Tax Allocation	3,723,862	3,744,581	3,772,605	3,816,630	3,862,074	3,894,023
1.060 - All Other Operating Revenues	2,136,768	1,799,023	1,784,300	1,779,964	1,776,024	1,772,488
<b>1.070 - Total Revenue</b>	<b>51,717,043</b>	<b>49,203,358</b>	<b>50,757,964</b>	<b>51,158,196</b>	<b>51,593,023</b>	<b>51,927,873</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	12,911	366,619	-	-	-	-
<b>2.070 - Total Other Financing Sources</b>	<b>12,911</b>	<b>366,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>51,729,954</b>	<b>49,569,977</b>	<b>50,757,964</b>	<b>51,158,196</b>	<b>51,593,023</b>	<b>51,927,873</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	30,941,022	32,492,728	33,860,610	35,280,149	36,703,211	38,184,598
3.020 - Employee Benefits	10,021,628	10,922,920	11,684,422	12,422,819	13,203,397	14,039,545
3.030 - Purchased Services	5,116,521	5,546,338	5,436,749	5,513,485	5,642,340	5,774,378
3.040 - Supplies and Materials	1,723,679	2,502,984	2,144,724	2,187,589	2,231,612	2,276,829
3.050 - Capital Outlay	364,910	670,000	670,000	770,000	570,000	570,000
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	696,113	683,793	696,419	709,287	722,402	735,768
<b>4.500 - Total Expenditures</b>	<b>48,863,873</b>	<b>52,818,763</b>	<b>54,492,924</b>	<b>56,883,329</b>	<b>59,072,962</b>	<b>61,581,118</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	20,000	20,000	20,000	20,000	20,000	20,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>48,883,873</b>	<b>52,838,763</b>	<b>54,512,924</b>	<b>56,903,329</b>	<b>59,092,962</b>	<b>61,601,118</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>2,846,082</b>	<b>(3,268,786)</b>	<b>(3,754,960)</b>	<b>(5,745,133)</b>	<b>(7,499,939)</b>	<b>(9,673,245)</b>
7.010 - Cash Balance July 1 (No Levies)	15,099,106	17,945,188	14,676,402	10,921,442	5,176,309	(2,323,630)
7.020 - Cash Balance June 30 (No Levies)	17,945,188	14,676,402	10,921,442	5,176,309	(2,323,630)	(11,996,875)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>17,945,188</b>	<b>14,676,402</b>	<b>10,921,442</b>	<b>5,176,309</b>	<b>(2,323,630)</b>	<b>(11,996,875)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>17,945,188</b>	<b>14,676,402</b>	<b>10,921,442</b>	<b>5,176,309</b>	<b>(2,323,630)</b>	<b>(11,996,875)</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>17,945,188</b>	<b>14,676,402</b>	<b>10,921,442</b>	<b>5,176,309</b>	<b>(2,323,630)</b>	<b>(11,996,875)</b>