



Loveland City Schools

# **Five Year Forecast Financial Report**

May, 2019

*Kevin Hawley, CFO*

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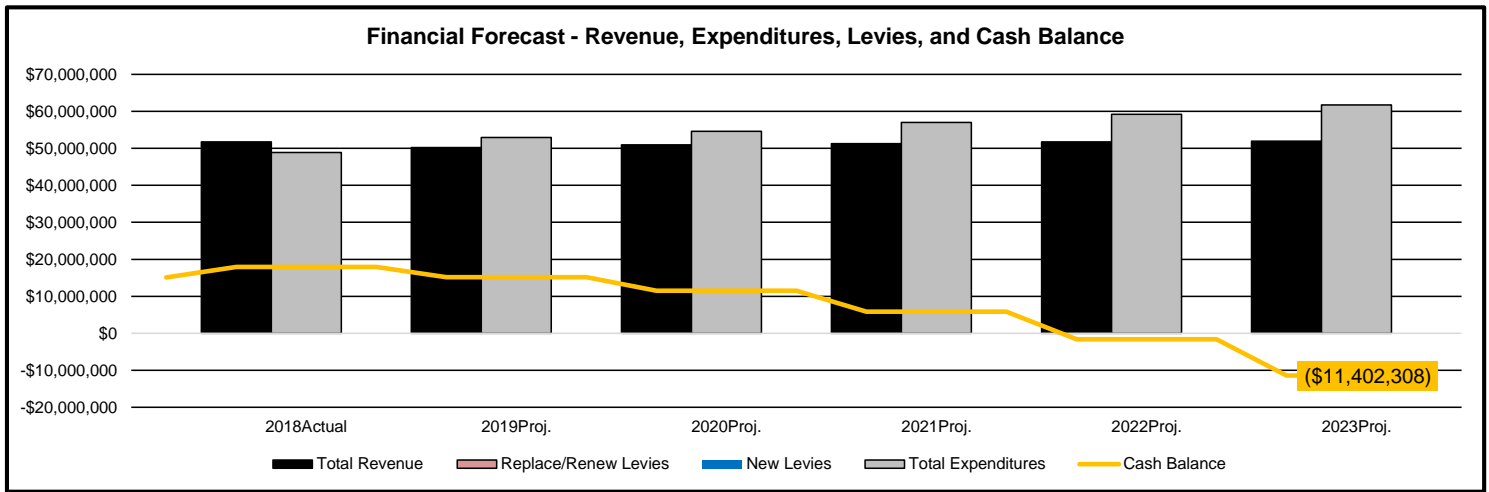
### Forecast Purpose/Objectives

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.

# Forecast Summary



## Loveland City Schools

### Financial Forecast

Financial Forecast	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	17,945,188	15,186,343	11,517,339	5,835,678	(1,628,749)
+ Revenue	50,213,751	50,970,517	51,300,853	51,737,289	51,974,181
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(52,972,596)	(54,639,521)	(56,982,514)	(59,201,716)	(61,747,740)
= Revenue Surplus or Deficit	(2,758,845)	(3,669,004)	(5,681,661)	(7,464,427)	(9,773,559)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	15,186,343	11,517,339	5,835,678	(1,628,749)	(11,402,308)

### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(2,758,845)	(3,669,004)	(5,681,661)	(7,464,427)	(9,773,559)
Ending Balance w/o Levies	15,186,343	11,517,339	5,835,678	(1,628,749)	(11,402,308)

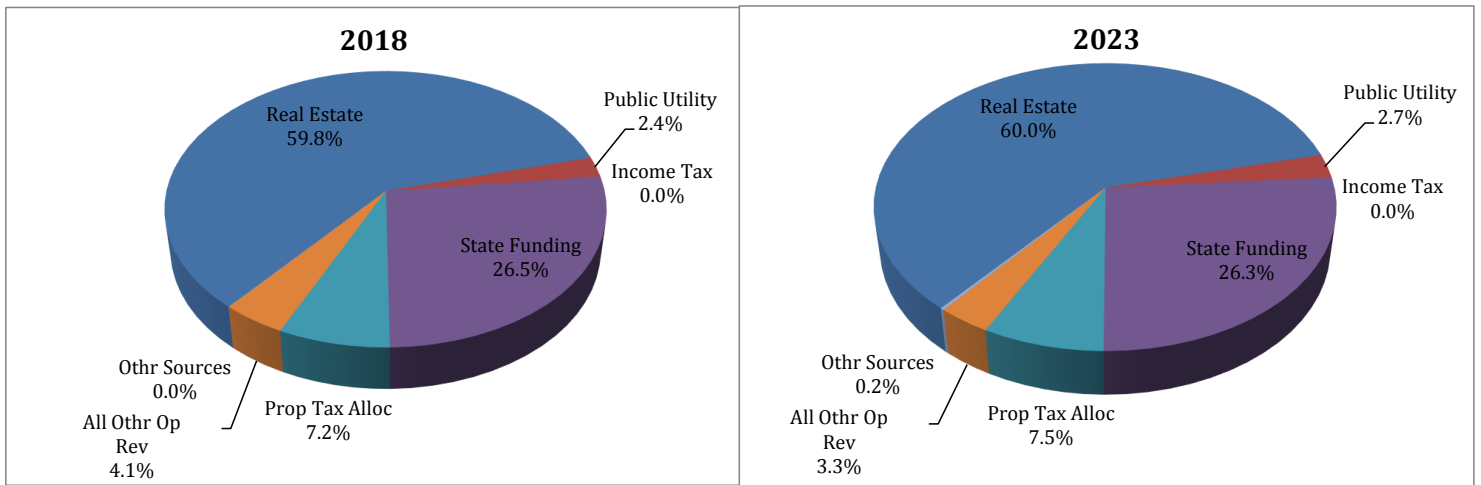
The district's expenses are projected to outpace revenue by \$2,758,845 in FY 2019. The current forecast reflects a continued trend of constrained revenue growth that cannot keep pace with inflationary cost pressures and program needs. Expenditures continue to exceed revenues throughout the forecast. 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 reflected as guaranteed through FY 2023 under the current state funding formula assumptions. 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 soon.

The current forecast reflects that additional local levy revenue is needed to pay for the cost of the current level of services and programs.

## 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%	-6.15%	4.27%	1.05%	1.14%	0.85%	0.23%
1.020-Public Utility	9.37%	-0.68%	5.02%	3.09%	3.00%	2.91%	2.67%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	4.57%	-0.44%	-0.02%	0.05%	0.06%	0.06%	-0.06%
1.040-Restricted Aid	103.01%	1.62%	1.34%	-0.03%	0.03%	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%	0.49%	0.68%	1.17%	1.19%	0.83%	0.87%
1.060-All Other Operating	18.30%	-7.18%	-6.59%	-2.31%	-0.25%	-5.77%	-4.42%
1.070-Total Revenue	5.19%	-4.07%	2.41%	0.72%	0.85%	0.46%	0.08%
2.070-Total Other Sources	46.63%	4540.27%	-73.29%	-21.88%	0.00%	0.00%	889.02%
2.080-Total w/Other Srcs	5.08%	-2.93%	1.51%	0.65%	0.85%	0.46%	0.11%

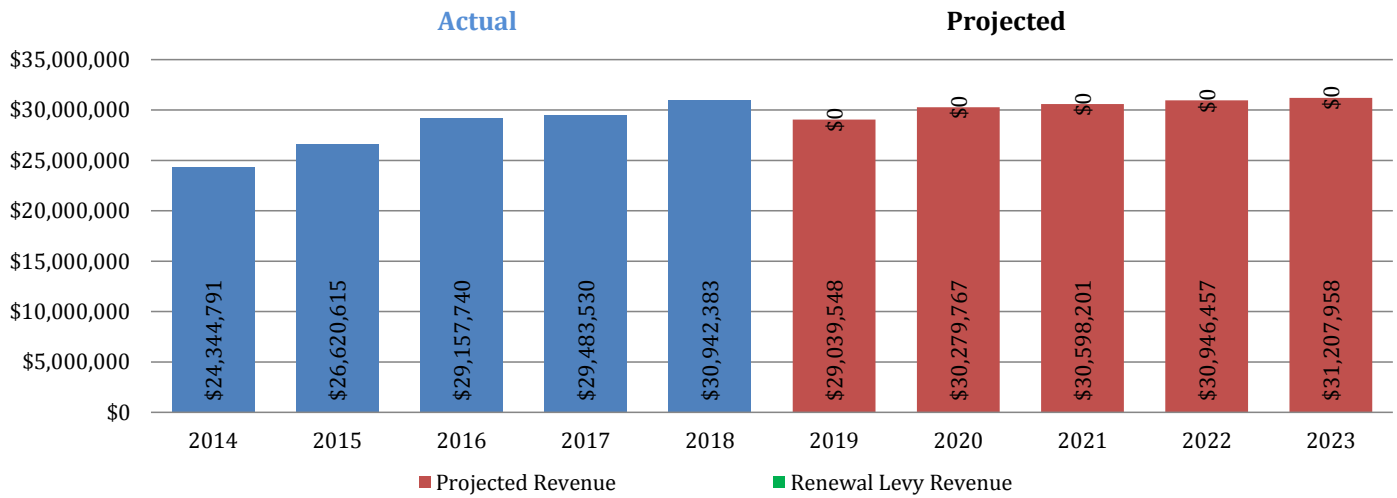
The district's historical revenue change increased because of a new levy passed in calendar year 2014 for collection in calendar year 2015; thus impacting FY 2015 and beyond. This new levy also influenced the 5-year average annual change upward. No new levies are reflected in the forecast period ending FY 2023.

For the current five year period beginning FY 2019 the district's annual revenue is expected to increase on average just 0.10% per year. There are two contributing factors to this stagnant revenue status. The FY 2019 revenue decreased over FY 2018 because of the timing of accelerated real estate revenue collections in FY 2018 and also tuition revenue. In FY 2019 these two factors caused a corresponding reduction in real estate and all other revenue. In addition, state revenue is stagnant through FY 2023.

The average annual operating revenue growth of 0.11% 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	29,039,548	30,279,767	30,598,201	30,946,457	31,207,958
YOY \$ Change	1,458,853	(1,902,835)	1,240,219	318,434	348,256	261,501
YOY % Change	4.9%	-6.1%	4.3%	1.1%	1.1%	0.8%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	59.8%	57.8%	59.4%	59.6%	59.8%	60.0%

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	861,389,900	6,987,060	39.30	(0.07)	42.78	(0.28)	99.7%
2019	869,568,771	8,178,871	39.22	(0.08)	42.97	0.19	99.6%
2020	934,156,204	64,587,433	36.99	(2.23)	41.86	(1.12)	99.5%
2021	943,558,066	9,401,862	36.91	(0.08)	42.04	0.19	99.5%
2022	952,884,566	9,326,500	36.84	(0.08)	42.23	0.19	99.5%

Real estate property tax revenue made up 59.8% of the district's revenue in FY 2018.

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 Class I residential effective tax rate for operating levies was 39.38 for collection in 2018. The rate is down -2.76 from collection year 2017's level of 42.14. Real estate property valuation is assessed at 35% of appraised.

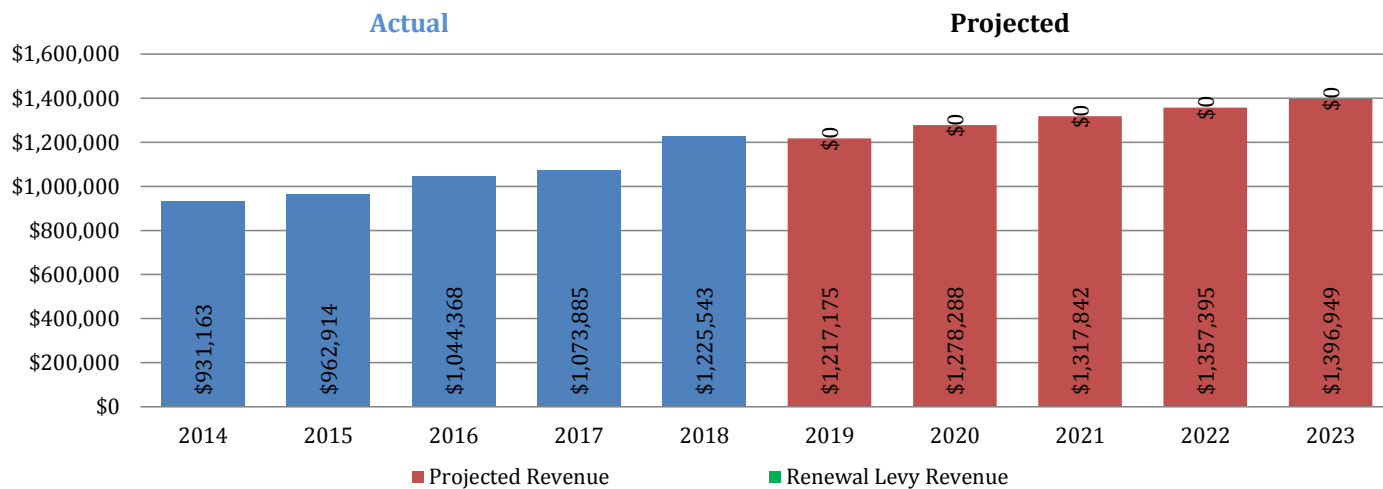
Real estate growth in FY 2018 and 2019 is attributed to the county's reappraisal. Residential values increased 7.9% in calendar year 2017 for collection in 2018. Actual revenue growth from the inflationary valuation increases is constrained because of Ohio's HB 920 which rolls back outside tax millage (rates) commensurate with inflationary increases to limit actual revenue growth. However, the district does realize revenue growth on new construction. In 2017 the district's residential new construction was \$5,207,370 for a 0.7% increase, 2018 was 0.6% growth and 2019 through 2022 is estimated at 0.7% to 0.8% annual new construction growth. Since residential property is 91.64% of the district's real estate property value it is the residential building activity that will most impact the district's forecasted year-over-year revenue change.

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. No new levies are modeled in the forecasted revenue.

\*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	1,217,175	1,278,288	1,317,842	1,357,395	1,396,949
YOY \$ Change	151,658	(8,368)	61,113	39,554	39,553	39,554
YOY % Change	14.1%	-0.7%	5.0%	3.1%	3.0%	2.9%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%

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	16,613,160	958,310	75.34	-	100.0%
2019	17,138,160	525,000	75.34	-	100.0%
2020	17,663,160	525,000	75.34	-	100.0%
2021	18,188,160	525,000	75.34	-	100.0%
2022	18,713,160	525,000	75.34	-	100.0%

Public utility property (gas lines, power grids, etc.) generates only 2.2% of the district's revenue in FY19.

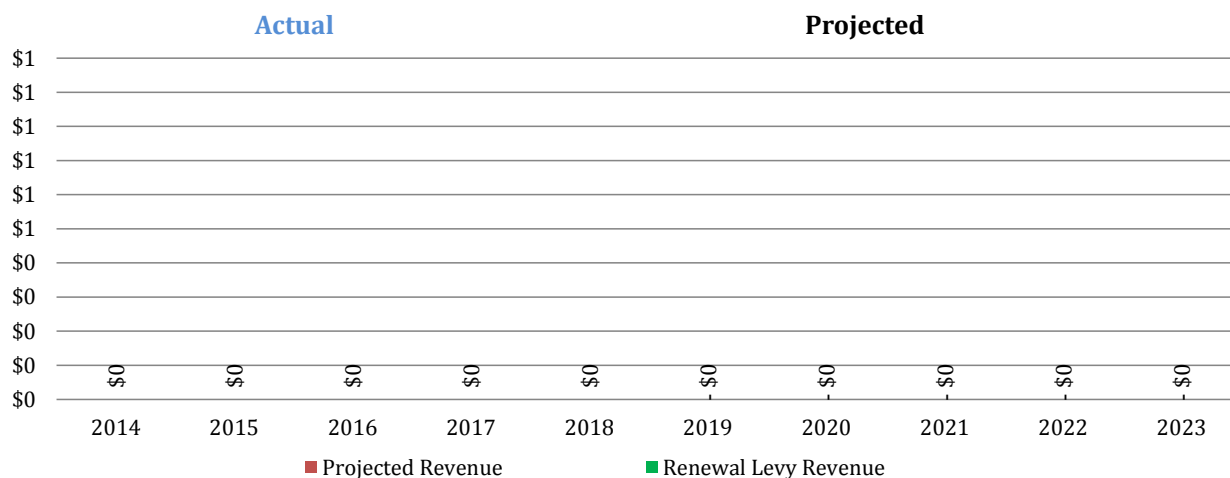
The valuation is taxed at the district's full voted tax rate, which was 75.34 mills (\$7.53 per \$1,000 of assessed valuation) for collection in calendar year 2018.

Public Utility Valuation growth was 8.7% for tax year 2017 (collected 2018) and 6.1% for tax year 2018 and has averaged 6.1% 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.



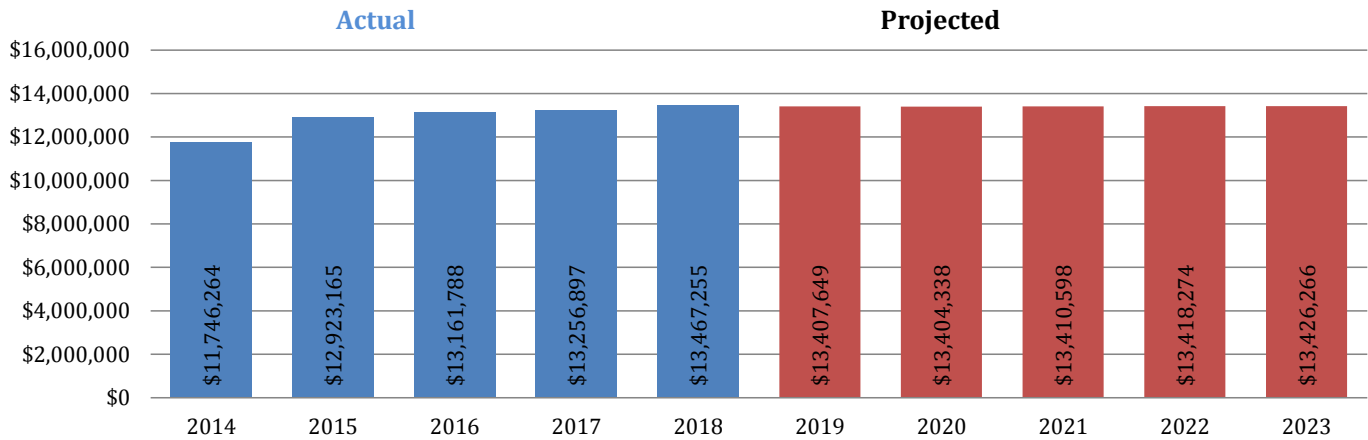
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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	13,407,649	13,404,338	13,410,598	13,418,274	13,426,266
YOY \$ Change	210,358	(59,606)	(3,311)	6,260	7,676	7,992
YOY % Change	1.6%	-0.4%	0.0%	0.0%	0.1%	0.1%
Percentage of Total Revenue	26.0%	26.7%	26.3%	26.1%	25.9%	25.8%
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%	35.1%	35.1%
State Core Funding Per Pupil	2,136	2,139	2,100	2,118	2,156	2,174
Formula ADM (Funded Student Count)	4,487	4,465	4,458	4,439	4,457	4,476
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. The 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 FY 2019 amount is reflected to decrease because of a drop in preschool 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 2019 is 35.5%, which only provides \$2,139 of the state's core aid per pupil of \$6,020 to Loveland. The balance of the \$6,020 is presumed to be provided by local property taxes.

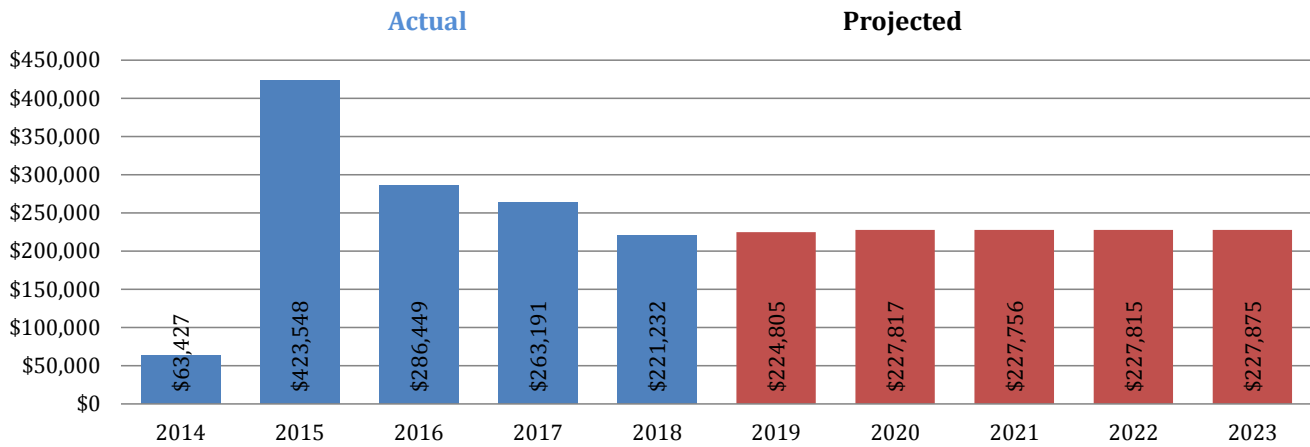
State funding peaked in FY 2017 except for some minor categorical fluctuation. This peak is significant because the current formula results in a flat but guaranteed level of funding as evidenced by the bar chart above. The FY 2017 peak level which had been discussed in prior forecasts will be the basis for FY 2019 through FY 2021. The district could receive some increase in funding in FY 2022 and 2023 if actual enrollment exceeds the formula ADM modeled above. The state funding formula is expected to provide only slight change through FY 2023.

Ohio has proposed a new funding formula for FY 2020 called the Fair School Funding Plan. The simulations show that the district would gain about \$500,000 per year by FY 2021. However, the proposal is in the early stage of the political process and could be scrapped, altered, or only partially funded. If the plan is adopted and funded the district's forecast will be updated at that time.



### 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	224,805	227,817	227,756	227,815	227,875
YOY \$ Change	(41,959)	3,573	3,012	(61)	59	60
YOY % Change	-15.9%	1.6%	1.3%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Economic Disadvantaged Funding	14,329	11,465	14,514	14,452	14,512	14,571
Percentage of Disadvantaged Students	14.0%	13.0%	14.0%	14.0%	14.0%	14.0%

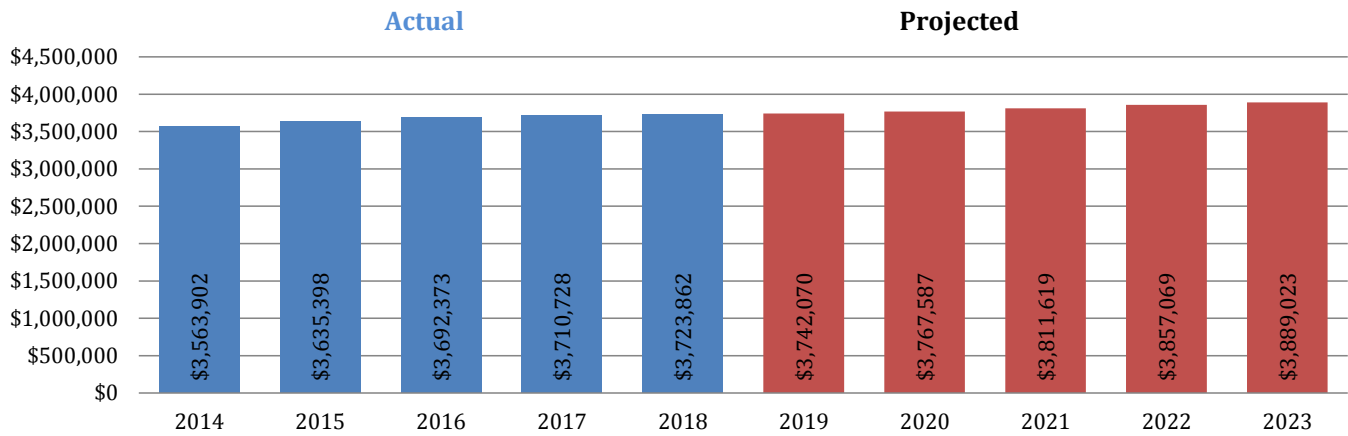
A portion of the district's per pupil formula funding must be classified as restricted.

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	3,742,070	3,767,587	3,811,619	3,857,069	3,889,023
YOY \$ Change	13,134	18,208	25,517	44,032	45,450	31,954
YOY % Change	0.4%	0.5%	0.7%	1.2%	1.2%	0.8%
Percentage of Total Revenue	7.2%	7.5%	7.4%	7.4%	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 \$3.36 million in FY 2019, and homestead which is projected to be \$377,706.

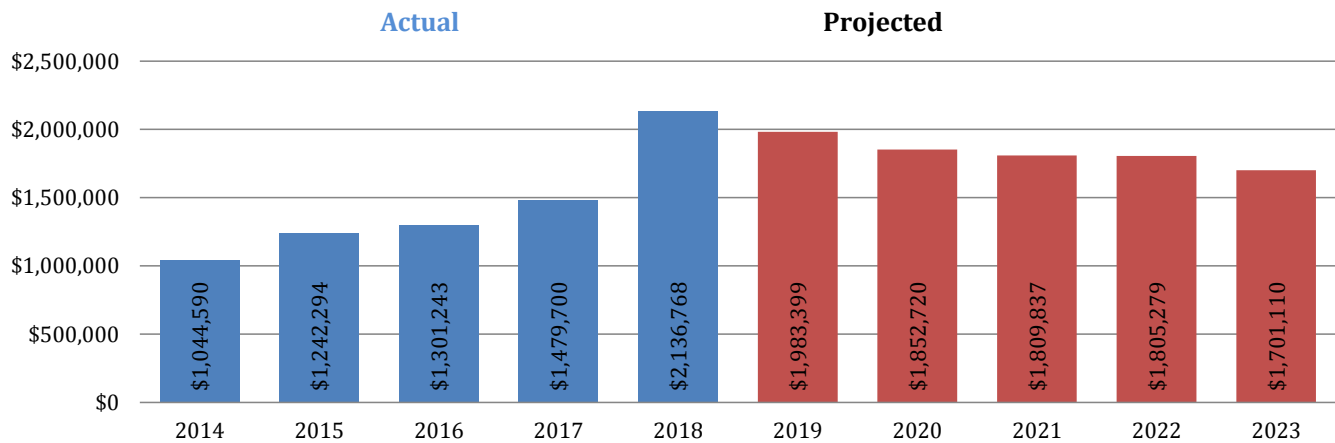
Due to legislative changes the district's 2014 levy does not qualify for state reimbursement of the 10% and 2.5% rollback. As such, there was no increase in reimbursement in 2015 commensurate with the local property tax revenue increase. Property tax allocation revenue is a percentage function of Class 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 are fiscally challenging to future new levy considerations.

*\*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	1,983,399	1,852,720	1,809,837	1,805,279	1,701,110
YOY \$ Change	657,068	(153,369)	(130,679)	(42,883)	(4,558)	(104,169)
YOY % Change	44.4%	-7.2%	-6.6%	-2.3%	-0.3%	-5.8%
Percentage of Total Revenue	4.1%	3.9%	3.6%	3.5%	3.5%	3.3%

Tuition received from others is about 23%, or \$456,943 of the total 'other operating revenue' category in FY 2019 projections.

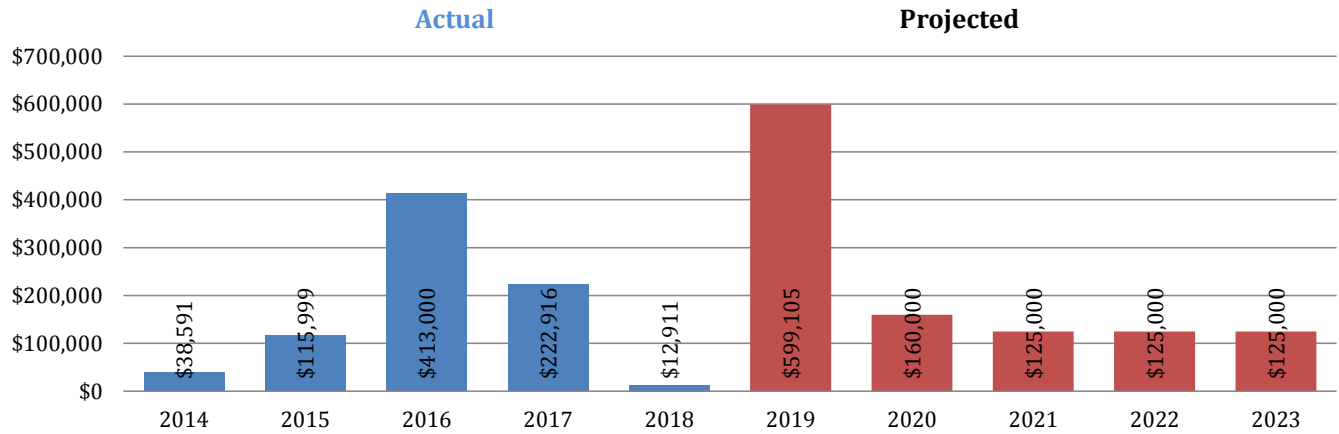
Various fees (including classroom) account for about 51%, or \$1,029,103 of the category. Tax Incremental Financing (TIF) revenue is estimated at \$469,409 for FY 2019, which is approximately 26% of the total "other operating revenue". The FY 2019 TIF payment was reduced by \$42,000 to correct a prior receipt, the adjustment will occur in FY 2020 as well. The TIF revenue in FY 2021 through FY 2023 includes a 1% annual increase with an additional \$42,000 added in FY 2022 and beyond to restore a payment adjustment that occurred in FY 2019 and FY 2020.

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 and is projected to increase to \$450,000 in FY 2019.

## 2.070 - Total Other Financing Sources

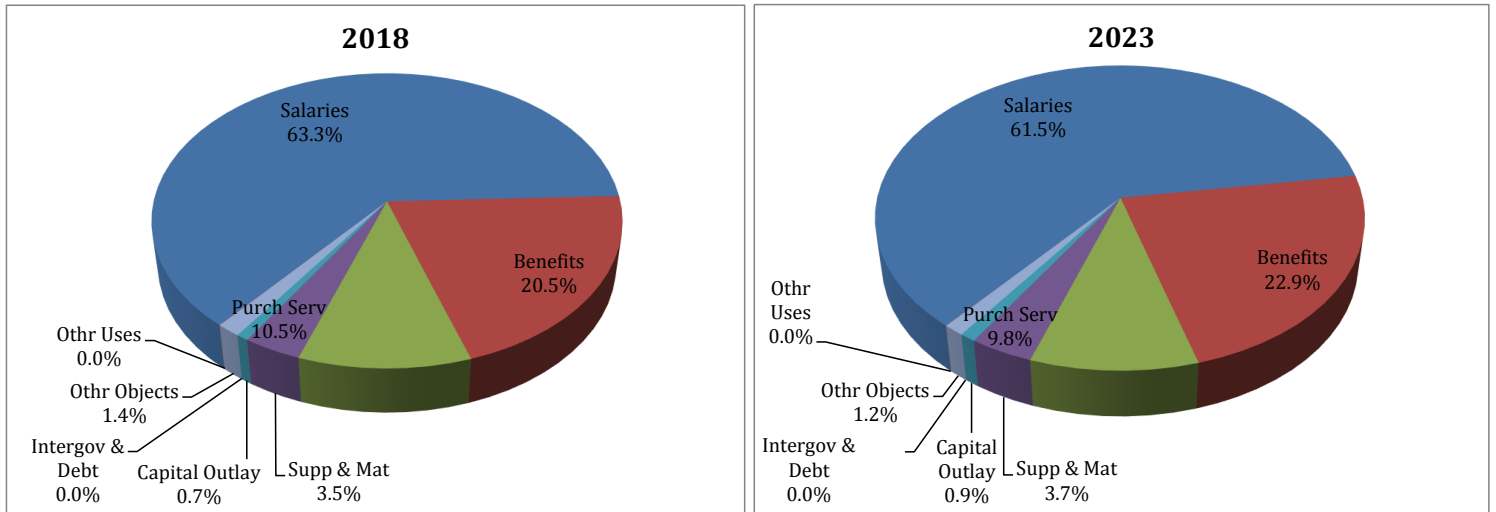
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	12,911	599,105	160,000	125,000	125,000	125,000
YOY \$ Change	(210,005)	586,194	(439,105)	(35,000)	-	-
YOY % Change	-94.2%	4540.3%	-73.3%	-21.9%	0.0%	0.0%
Percentage of Total Revenue	0.0%	1.2%	0.3%	0.2%	0.2%	0.2%
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-

Total other sources include refunds and reductions 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%	3.71%	4.11%	4.03%	4.04%	4.18%
3.020-Benefits	1.31%	13.06%	3.06%	6.50%	6.54%	6.63%	7.16%
3.030-Purchased Services	8.62%	12.11%	-0.32%	0.76%	2.31%	2.31%	3.43%
3.040-Supplies & Materials	6.58%	34.48%	-6.81%	2.00%	2.01%	2.03%	6.74%
3.050-Capital Outlay	914.43%	7.44%	70.89%	14.93%	-25.97%	0.00%	13.46%
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%	8.37%	3.15%	4.29%	3.90%	4.30%	4.80%
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%	8.36%	3.15%	4.29%	3.89%	4.30%	4.80%

Expenditures grew at an average annual rate of 3.65% over the past five years.

The current forecast provides that expenditures will grow at an average annual rate of 4.80%.

Fiscal year 2019 costs increased in FY 2019 due to the following highlights that described in more detail on each expenditure category's note:

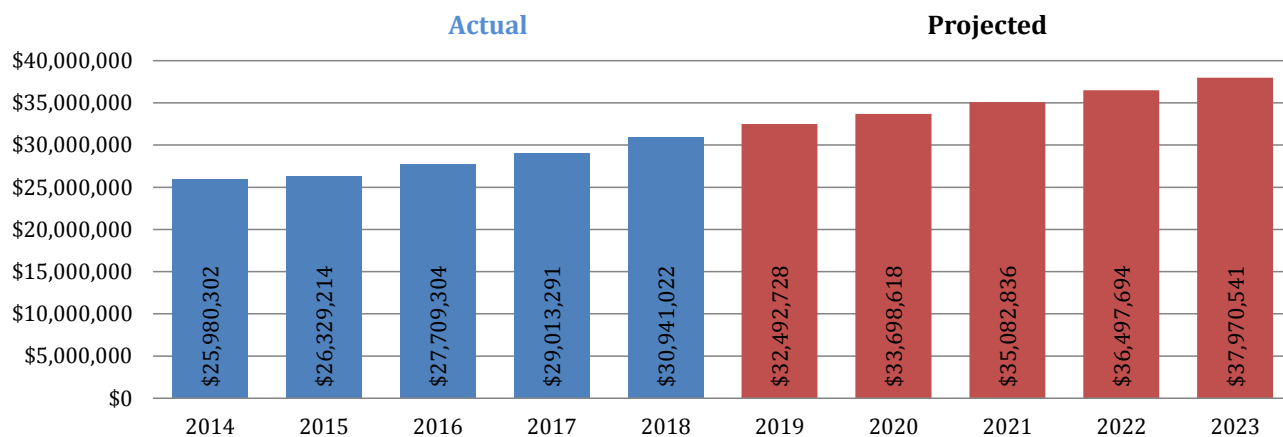
Salaries increased 5.02% in FY 2019 because of staffing change and existing negotiated agreements. The FY 2020 increase is less because of retirement/replacement savings and only 1.0 certified FTE added.

Benefits are up mostly in response to health insurance. But also, the retirement contributions increased in FY 2019 in response to salary change.

Purchased services increased because of special education costs, and also one-time strategic planning costs.

### 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	33,698,618	35,082,836	36,497,694	37,970,541
YOY \$ Change	1,927,731	1,551,706	1,205,890	1,384,218	1,414,858	1,472,847
YOY % Change	6.6%	5.0%	3.7%	4.1%	4.0%	4.0%
Percentage of Total Budget	63.3%	61.3%	61.7%	61.6%	61.6%	61.5%

Salary costs consumed 63.3% of the budget in FY 2018, and have been contained to an average annual growth rate of 3.56% over the past five years.

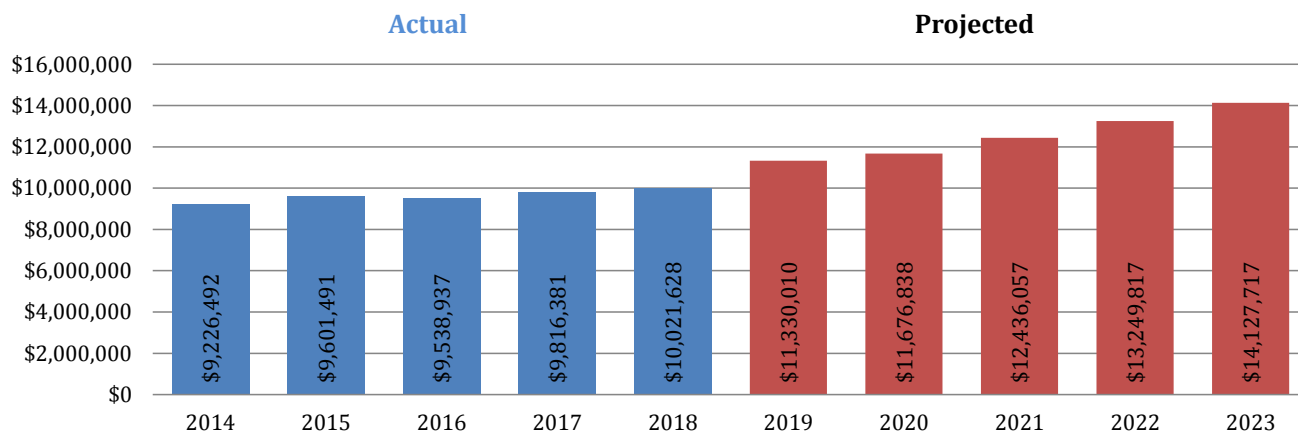
The year-over-year change in projected salaries reflected above is a function of both the number of employees and changes in salaries paid. In addition, classified paraprofessionals are projected to increase by 2.0 FTE's starting in FY 2019. Fiscal year 2020 includes retirement/replacements savings of approximately \$50,000 and the addition of one certified FTE. Fiscal years 2021 through 2023 includes 2.0 additional teacher FTE's per year.

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	11,330,010	11,676,838	12,436,057	13,249,817	14,127,717
YOY \$ Change	205,247	1,308,382	346,828	759,219	813,760	877,900
YOY % Change	2.1%	13.1%	3.1%	6.5%	6.5%	6.6%
Percentage of Total Budget	20.5%	21.4%	21.4%	21.8%	22.4%	22.9%

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.

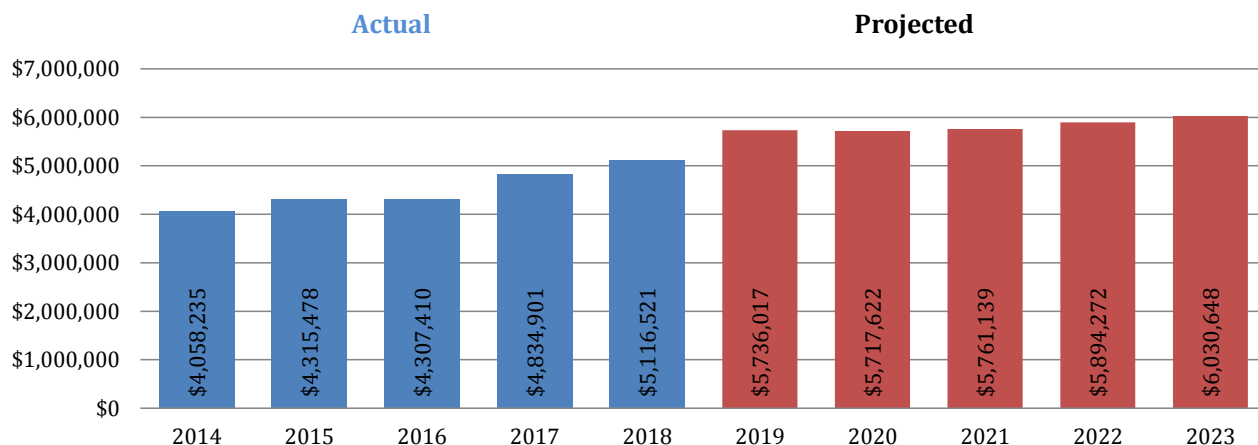
The district's benefit costs increased above trend in FY 2015 because of a one-time advance payment made to establish health insurance premiums as current status rather than a one-month delay. The elimination of this one-time payment in FY 2016 reduces the district's growth below historical trends. The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

Health insurance premiums increased 10.0% in FY 2019 with insurance consortium guidance to expect above trend increases going forward. The October forecast projected a 10% increase in FY 2020 and the consortium that provide insurance has informed the district that the increase will now be 2.2%. The reduction in FY 2020 is significant and will improve the district's bottom line. In FY 2021 through FY 2023 the projections include a 9.0% annual increase in health insurance premium.

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	5,736,017	5,717,622	5,761,139	5,894,272	6,030,648
YOY \$ Change	281,620	619,496	(18,395)	43,517	133,133	136,376
YOY % Change	5.8%	12.1%	-0.3%	0.8%	2.3%	2.3%
Percentage of Total Budget	10.5%	10.8%	10.5%	10.1%	10.0%	9.8%

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.

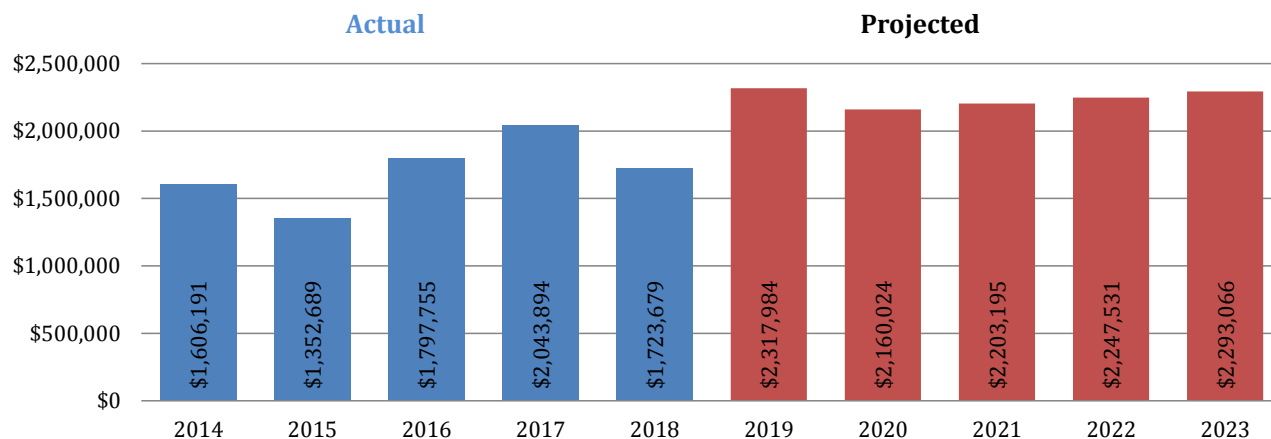
All other purchased services includes professional and technical services such as special needs student services including special education add-on services. The special education services increased \$160,000 in FY 2019 and the FY 2019 level is projected to continue but with only slight growth. If additional special education needs develop then the forecast will be unfavorably impacted.

In FY 2019 the district experienced one-time strategic planning costs and has also added a communications service that is ongoing.



### 3.040 - Supplies & Materials

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



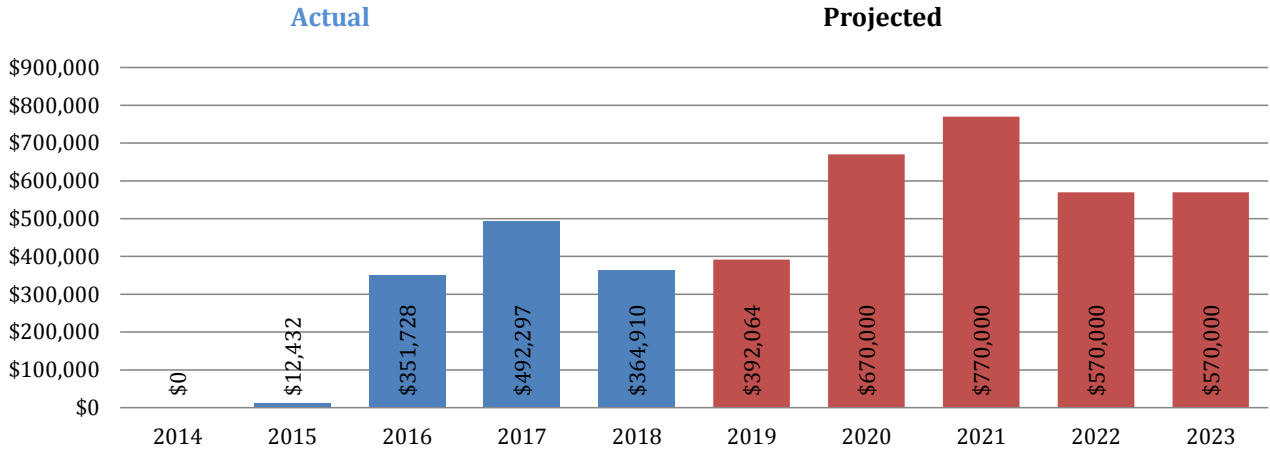
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,723,679	2,317,984	2,160,024	2,203,195	2,247,531	2,293,066
YOY \$ Change	(320,215)	594,305	(157,960)	43,171	44,336	45,535
YOY % Change	-15.7%	34.5%	-6.8%	2.0%	2.0%	2.0%
Percentage of Total Budget	3.5%	4.4%	4.0%	3.9%	3.8%	3.7%

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. This delay inflated the FY 2019 Textbook amount and will decrease in FY 2020 which represents the decrease in expenses for Supplies.

### 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	392,064	670,000	770,000	570,000	570,000
YOY \$ Change	(127,387)	27,154	277,936	100,000	(200,000)	-
YOY % Change	-25.9%	7.4%	70.9%	14.9%	-26.0%	0.0%
Percentage of Total Budget	0.7%	0.7%	1.2%	1.4%	1.0%	0.9%

The district's equipment budget is projected to be \$27,154 higher than last year. In FY 2020 the district is allocating \$670,000 for equipment and \$770,000 in FY 2021, these higher years are in response to shorter term technology and other equipment needs. Starting in FY 2022 the district is projecting to spend \$570,000 on equipment through FY 2023.

### 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.

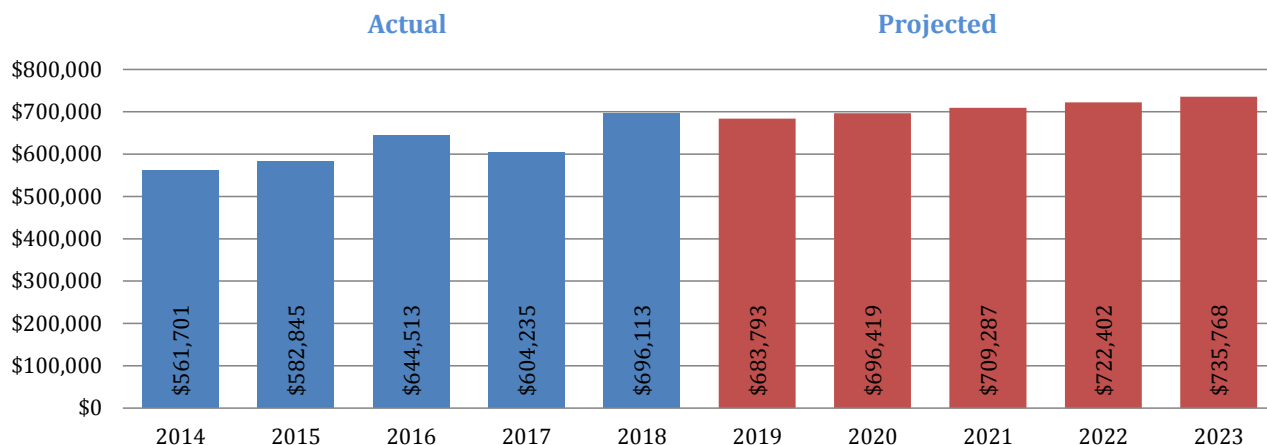
	Actual					Projected				
\$1										
\$1										
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\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

	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.



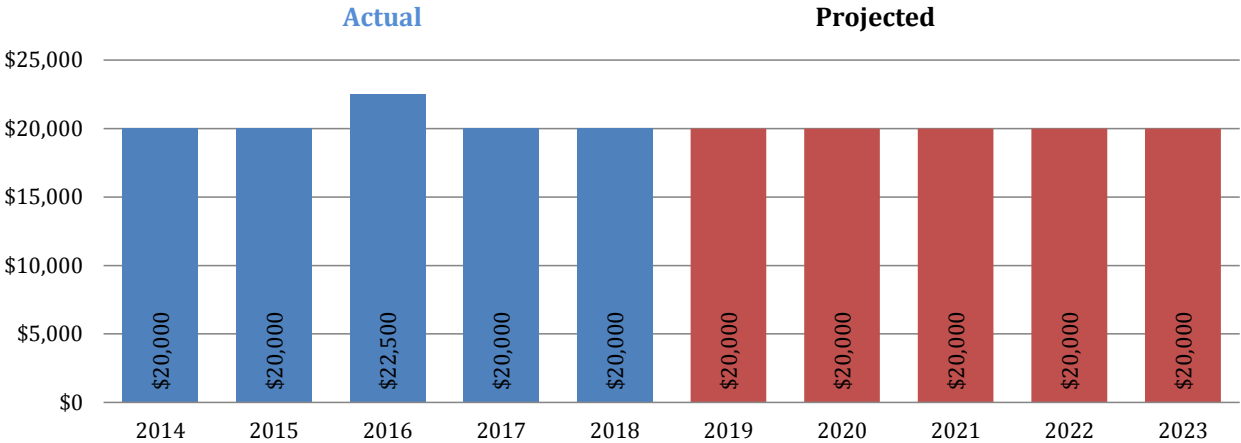
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	696,113	683,793	696,419	709,287	722,402	735,768
YOY \$ Change	91,878	(12,320)	12,626	12,868	13,115	13,366
YOY % Change	15.2%	-1.8%	1.8%	1.8%	1.8%	1.9%
Percentage of Total Budget	1.4%	1.3%	1.3%	1.2%	1.2%	1.2%

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	29,039,548	30,279,767	30,598,201	30,946,457	31,207,958
1.020 - Public Utility Personal Property	1,225,543	1,217,175	1,278,288	1,317,842	1,357,395	1,396,949
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	13,467,255	13,407,649	13,404,338	13,410,598	13,418,274	13,426,266
1.040 - Restricted Grants-in-Aid	221,232	224,805	227,817	227,756	227,815	227,875
1.050 - Property Tax Allocation	3,723,862	3,742,070	3,767,587	3,811,619	3,857,069	3,889,023
1.060 - All Other Operating Revenues	2,136,768	1,983,399	1,852,720	1,809,837	1,805,279	1,701,110
<b>1.070 - Total Revenue</b>	<b>51,717,043</b>	<b>49,614,646</b>	<b>50,810,517</b>	<b>51,175,853</b>	<b>51,612,289</b>	<b>51,849,181</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	599,105	160,000	125,000	125,000	125,000
<b>2.070 - Total Other Financing Sources</b>	<b>12,911</b>	<b>599,105</b>	<b>160,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>51,729,954</b>	<b>50,213,751</b>	<b>50,970,517</b>	<b>51,300,853</b>	<b>51,737,289</b>	<b>51,974,181</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	30,941,022	32,492,728	33,698,618	35,082,836	36,497,694	37,970,541
3.020 - Employee Benefits	10,021,628	11,330,010	11,676,838	12,436,057	13,249,817	14,127,717
3.030 - Purchased Services	5,116,521	5,736,017	5,717,622	5,761,139	5,894,272	6,030,648
3.040 - Supplies and Materials	1,723,679	2,317,984	2,160,024	2,203,195	2,247,531	2,293,066
3.050 - Capital Outlay	364,910	392,064	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>52,952,596</b>	<b>54,619,521</b>	<b>56,962,514</b>	<b>59,181,716</b>	<b>61,727,740</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>52,972,596</b>	<b>54,639,521</b>	<b>56,982,514</b>	<b>59,201,716</b>	<b>61,747,740</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>2,846,082</b>	<b>(2,758,845)</b>	<b>(3,669,004)</b>	<b>(5,681,661)</b>	<b>(7,464,427)</b>	<b>(9,773,559)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>15,099,106</b>	<b>17,945,188</b>	<b>15,186,343</b>	<b>11,517,339</b>	<b>5,835,678</b>	<b>(1,628,749)</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>17,945,188</b>	<b>15,186,343</b>	<b>11,517,339</b>	<b>5,835,678</b>	<b>(1,628,749)</b>	<b>(11,402,308)</b>
		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>15,186,343</b>	<b>11,517,339</b>	<b>5,835,678</b>	<b>(1,628,749)</b>	<b>(11,402,308)</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>15,186,343</b>	<b>11,517,339</b>	<b>5,835,678</b>	<b>(1,628,749)</b>	<b>(11,402,308)</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>15,186,343</b>	<b>11,517,339</b>	<b>5,835,678</b>	<b>(1,628,749)</b>	<b>(11,402,308)</b>