Louisville City School District

Stark County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2016, 2017 and 2018 Actual;
Forecasted Fiscal Years Ending June 30, 2019 Through 2023

OCTOBER 2018		Actual				Forecasted				
		Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Average Change	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
	Revenues									
1.010	General Property Tax (Real Estate)	$7,547,602	$7,699,326	$7,882,031	2.2%	$8,007,764	$8,442,943	$8,488,374	$8,614,927	$8,740,919
1.020	Tangible Personal Property Tax	633,218	704,747	731,196	7.5%	756,880	787,819	813,132	831,541	854,529
1.035	Unrestricted State Grants-in-Aid	14,378,114	14,278,460	14,437,415	0.2%	14,408,350	14,412,072	14,411,948	14,411,915	14,411,733
1.040	Restricted State Grants-in-Aid	244,341	283,406	320,099	14.5%	295,715	294,415	258,237	257,925	256,193
1.050	Property Tax Allocation	1,299,215	1,284,558	1,278,818	-0.8%	1,334,997	1,398,300	1,401,820	1,423,046	1,444,228
1.060	All Other Revenues	1,625,728	1,671,381	1,531,658	-2.8%	1,543,487	1,468,968	1,478,016	1,487,064	1,482,064
1.070	*Total Revenues*	25,728,218	25,921,878	26,181,217	0.9%	26,347,193	26,804,517	26,851,527	27,026,418	27,189,666
	Other Financing Sources									
2.040	Transfers-In									
2.050	Advances-In						27,500	27,500	27,499	
2.060	All Other Financing Sources	20,285	3,540	18,165	165.3%	117,509	16,500	16,500	16,500	16,500
2.070	*Total Other Financing Sources*	20,285	3,540	18,165	165.3%	117,509	44,000	44,000	43,999	16,500
2.080	*Total Revenues and Other Financing Sources*	25,748,503	25,925,418	26,199,382	0.9%	26,464,702	26,848,517	26,895,527	27,070,417	27,206,166
	Expenditures									
3.010	Personnel Services	14,827,882	14,115,394	14,516,101	-1.0%	15,093,606	15,354,645	15,771,829	16,211,590	16,608,473
3.020	Employees' Retirement/Insurance Benefits	5,869,689	5,310,455	5,827,018	0.1%	5,884,867	7,478,587	8,034,998	8,643,693	9,301,278
3.030	Purchased Services	3,055,327	4,408,940	3,641,429	13.4%	3,786,837	3,911,466	3,837,616	3,888,099	3,932,306
3.040	Supplies and Materials	612,951	702,451	746,748	10.5%	721,700	673,700	680,200	686,700	713,200
3.050	Capital Outlay	205,647	283,259	651,182	83.8%	340,378	274,500	238,000	241,500	245,000
	Debt Service:									
4.055	Principal-Other	30,542	62,498	114,956	94.3%	144,160	201,680	199,333	167,985	172,513
4.060	Interest and Fiscal Charges	5,032	8,650	12,823	60.1%	10,918	12,583	7,759	10,418	7,580
4.300	Other Objects	328,560	331,822	340,847	1.9%	326,301	340,000	330,000	330,000	330,000
4.500	*Total Expenditures*	24,935,630	25,223,469	25,851,104	1.8%	26,308,767	28,247,161	29,099,735	30,179,985	31,310,350
	Other Financing Uses									
5.010	Transfers-Out		32,727	55,579		35,000	35,000	35,000	35,000	35,000
5.020	Advances-Out					82,499				
5.040	*Total Other Financing Uses*		32,727	55,579		117,499	35,000	35,000	35,000	35,000
5.050	*Total Expenditures and Other Financing Uses*	24,935,630	25,256,196	25,906,683	1.9%	26,426,266	28,282,161	29,134,735	30,214,985	31,345,350
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	812,873	669,222	292,699	-37.0%	38,436	1,433,644-	2,239,208-	3,144,568-	4,139,184-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,531,768	4,344,641	5,013,863	19.2%	5,306,562	5,344,998	3,911,354	1,672,146	1,472,422-
7.020	*Cash Balance June 30*	4,344,641	5,013,863	5,306,562	10.6%	5,344,998	3,911,354	1,672,146	1,472,422-	5,611,606-
8.010	*Estimated Encumbrances June 30*	429,897	453,298	434,744	0.7%					
	Reservation of Fund Balance									
9.070	Bus Purchases	66,371	66,371	51,771	-11.0%	47,771				
9.080	*Subtotal*	66,371	66,371	51,771	-11.0%	47,771				
10.010	*Fund Balance June 30 for Certification of Appropriations*	3,848,373	4,494,194	4,820,047	12.0%	5,297,227	3,911,354	1,672,146	1,472,422-	5,611,606-
	Revenue from Replacement/Renewal Levies									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	3,848,373	4,494,194	4,820,047	12.0%	5,297,227	3,911,354	1,672,146	1,472,422-	5,611,606-
15.010	*Unreserved Fund Balance June 30*	3,848,373	4,494,194	4,820,047	12.0%	5,297,227	3,911,354	1,672,146	1,472,422-	5,611,606-
	ADM Forecasts									
20.010	Kindergarten - October Count	194	181	192	-0.3%	193	203	194	210	202
20.015	Grades 1-12 - October Count	2,782	2,685	2,677	-1.9%	2656	2615	2599	2576	2547

10.15.2018

See accompanying summary of significant forecast assumptions and accounting policies.
Includes: General fund, Emergency Levy fund and any portion of Debt Service fund related to General fund debt.

Louisville City School District - Stark County

Five Year Forecast Financial Report

October 2018

Derek L. Nottingham, Treasurer

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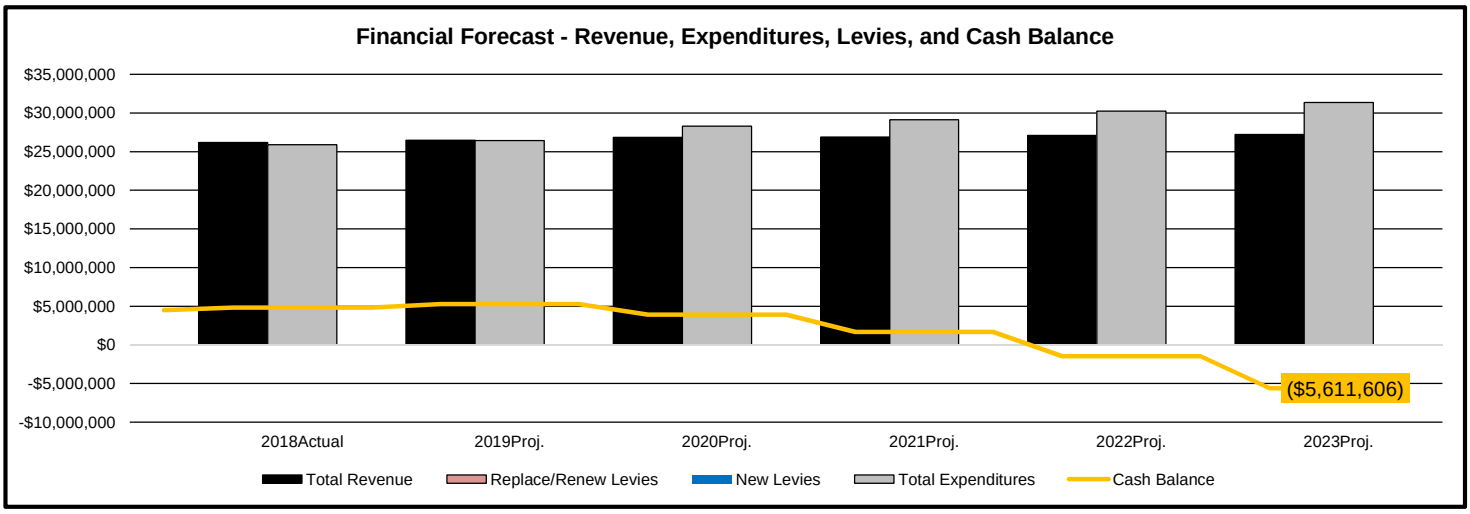
Forecast Purpose/Objectives

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.

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Louisville City School District - Stark County

Financial Forecast	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	5,306,562	5,344,998	3,911,354	1,672,146	(1,472,422)
+ Revenue	26,464,702	26,848,517	26,895,527	27,070,417	27,206,166
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(26,426,266)	(28,282,161)	(29,134,735)	(30,214,985)	(31,345,350)
= Revenue Surplus or Deficit	38,436	(1,433,644)	(2,239,208)	(3,144,568)	(4,139,184)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	5,344,998	3,911,354	1,672,146	(1,472,422)	(5,611,606)

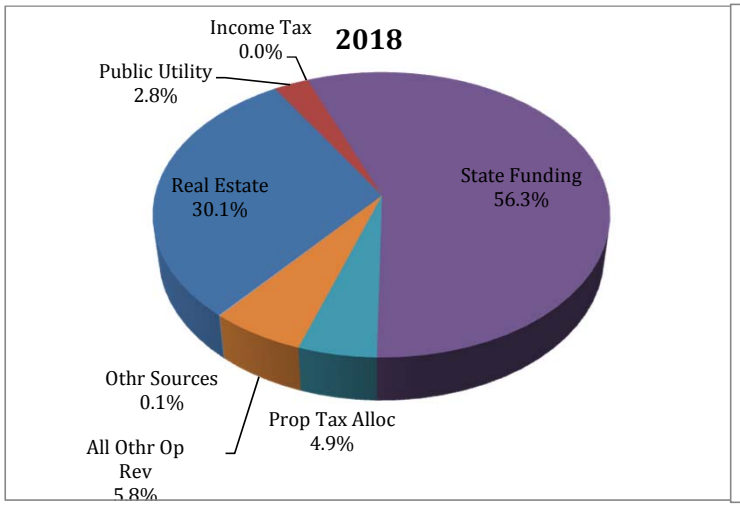
Analysis Without Renewal Levies Included:

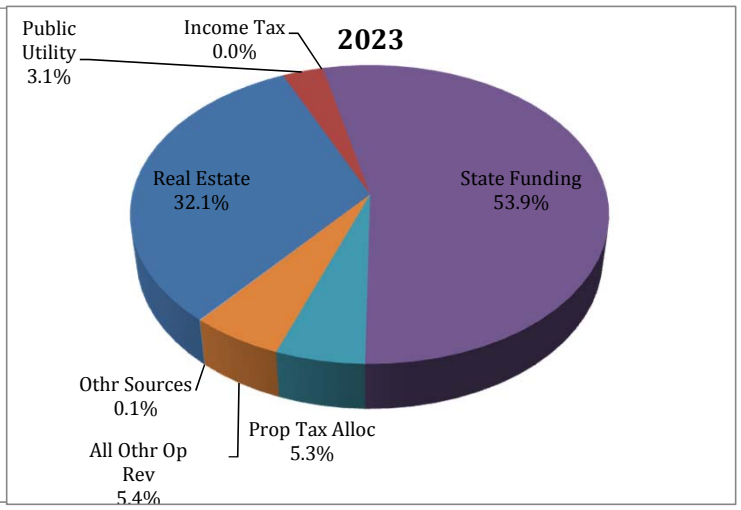
Revenue Surplus or Deficit w/o Levies	38,436	(1,433,644)	(2,239,208)	(3,144,568)	(4,139,184)
Ending Balance w/o Levies	5,344,998	3,911,354	1,672,146	(1,472,422)	(5,611,606)

The Five Year Forecast is first and foremost a planning document used by the Board of Education and District Administration. Based on the assumptions discussed on the following pages, the above graph is a snapshot of the budget for the District's general operating fund. The Board of Education and District Administration are charged with operating the District efficiently and effectively while operating within the District's means. As demonstrated above, the District is showing significant deficit spending in fiscal years 2020 and beyond. With the projected deficit spending, the ending cash balance is reduced each year and projected to dip below $0 as early as fiscal year 2022. To offset deficit spending, the District will need to either receive additional revenues or reduce expenditures.

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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	
Revenue:							
1.010-Real Estate	6.05%	1.60%	5.43%	0.54%	1.49%	1.46%	2.10%
1.020-Public Utility	13.54%	3.51%	4.09%	3.21%	2.26%	2.76%	3.17%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	0.61%	-0.20%	0.03%	0.00%	0.00%	0.00%	-0.04%
1.040-Restricted Aid	56.12%	-7.62%	-0.44%	-12.29%	-0.12%	-0.67%	-4.23%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	4.96%	4.39%	4.74%	0.25%	1.51%	1.49%	2.48%
1.060-All Other Operating	2.33%	0.77%	-4.83%	0.62%	0.61%	-0.34%	-0.63%
1.070-Total Revenue	2.84%	0.63%	1.74%	0.18%	0.65%	0.60%	0.76%
2.070-Total Other Sources	69.36%	546.90%	-62.56%	0.00%	0.00%	-62.50%	84.37%
2.080-Total w/Other Srcs	2.78%	1.01%	1.45%	0.18%	0.65%	0.50%	0.76%

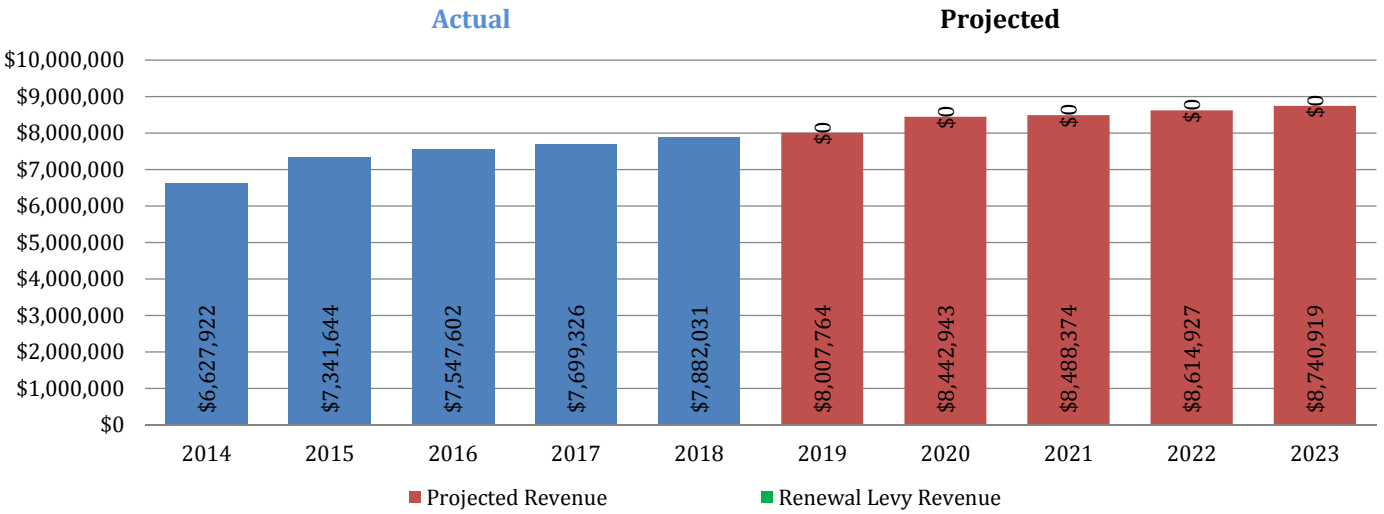
In total, revenues are projected to increase by $265,320, or 1.01 percent, in fiscal year 2019. This is primarily due to the increase realized in real estate and public utility tax revenues which are projected to increase by a total of $151,417, or 1.76 percent from fiscal year 2018. Unfortunately, unrestricted state funding, the District's largest source of income, is projected to stay flat in 2018 and beyond. As represented above, state funding, real estate tax, and public utility tax accounted for 89.2% of total revenues in fiscal year 2018 while property tax allocation and other revenues/sources comprised the remaining 10.8%.

Further information on each revenue source is provided on the next several pages.

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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	7,882,031	8,007,764	8,442,943	8,488,374	8,614,927	8,740,919
YOY $ Change	182,705	125,733	435,179	45,431	126,553	125,992
YOY % Change	2.4%	1.6%	5.4%	0.5%	1.5%	1.5%

Percentage of Total Revenue	30.1%	30.3%	31.4%	31.6%	31.8%	32.1%

Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	Including Delinquencies
2017	357,262,340	5,419,900	25.34	(0.20)	26.56	0.15	98.8%
2018	395,765,170	38,502,830	24.61	(0.73)	26.69	0.14	99.7%
2019	398,790,170	3,025,000	24.58	(0.04)	26.62	(0.08)	99.6%
2020	401,015,170	2,225,000	24.55	(0.03)	26.55	(0.07)	99.6%
2021	414,290,170	13,275,000	24.40	(0.14)	26.20	(0.35)	99.6%
2022	416,615,170	2,325,000	24.37	(0.03)	26.11	(0.10)	99.6%

Real Estate Tax is the second highest revenue source for the Louisville City School District's general operating fund. These revenues are generated from both the District's inside and outside (voted) millage.

In fiscal year 2015, the District began to realize the full effect of the emergency levy passed in May 2013. In November 2017, this emergency levy was renewed for another 5 year term which will end with tax year 2023. The real estate market continues to strengthen. Following the 2012 sexennial reappraisal, the District saw its total valuation drop from $341 million to $313 million. Stark County completed the triennial update process in tax year 2015. As a result, the District's assessed valuation realized an increase in tax year 2015 to $358 million which was only slightly greater than the pre-recession values in 2006. Tax year 2018 is another reappraisal year and indications from the County auditor suggest an increase in residential property values of approximately 12.6% for the properties within Louisville City Schools. Calendar year 2021 will be the next triennial update.

With the significant reappraisal increases, the District is forecasted to hit the 20 mill floor on Class I property for the first time in fiscal year 2019. Based on state law, the District's effective millage for voted operating levies cannot be reduced below a 20 mill threshhold. As a result, the District will receive increased tax revenue to maintain the effective millage level. Early estimates from the County auditor suggest an increase around $700,000 related to the effects of the 20 mill floor.

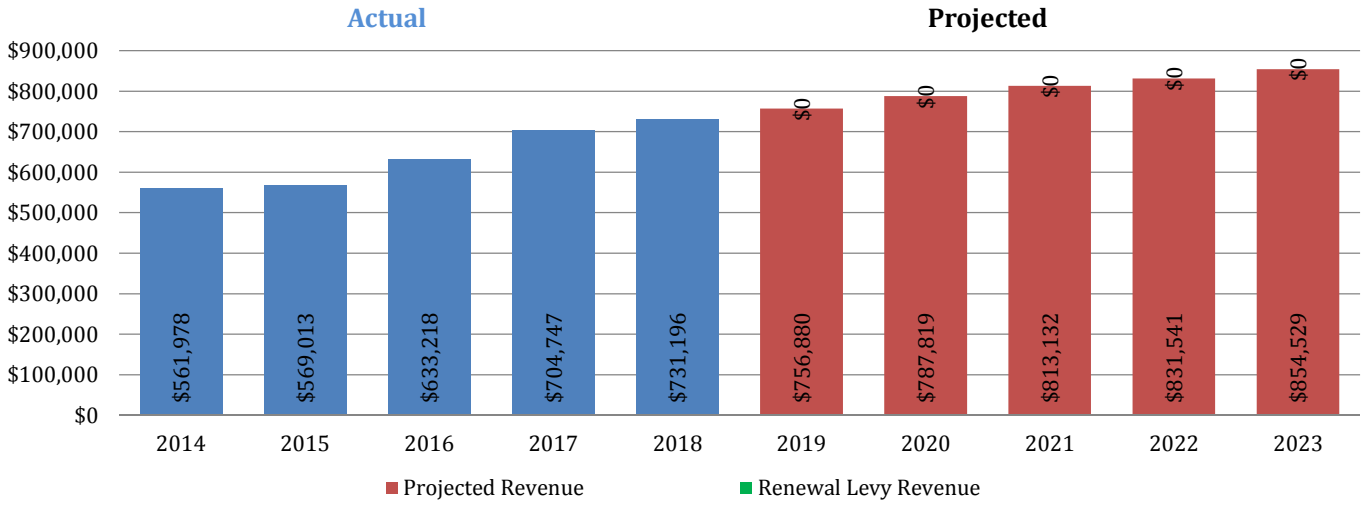
Modest increases to account for other inflationary increases and new construction have been taken into account each year of the forecast.

**Projected % trends include renewal levies*

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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	731,196	756,880	787,819	813,132	831,541	854,529
YOY $ Change	26,449	25,684	30,939	25,313	18,409	22,988
YOY % Change	3.8%	3.5%	4.1%	3.2%	2.3%	2.8%

Percentage of Total Revenue	2.8%	2.9%	2.9%	3.0%	3.1%	3.1%

Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	14,355,710	771,380	52.20	(0.10)	100.0%
2018	14,955,710	600,000	51.71	(0.49)	100.0%
2019	15,455,710	500,000	51.68	(0.04)	100.0%
2020	15,955,710	500,000	51.65	(0.03)	100.0%
2021	16,255,710	300,000	51.50	(0.14)	100.0%
2022	16,855,710	600,000	51.47	(0.03)	100.0%

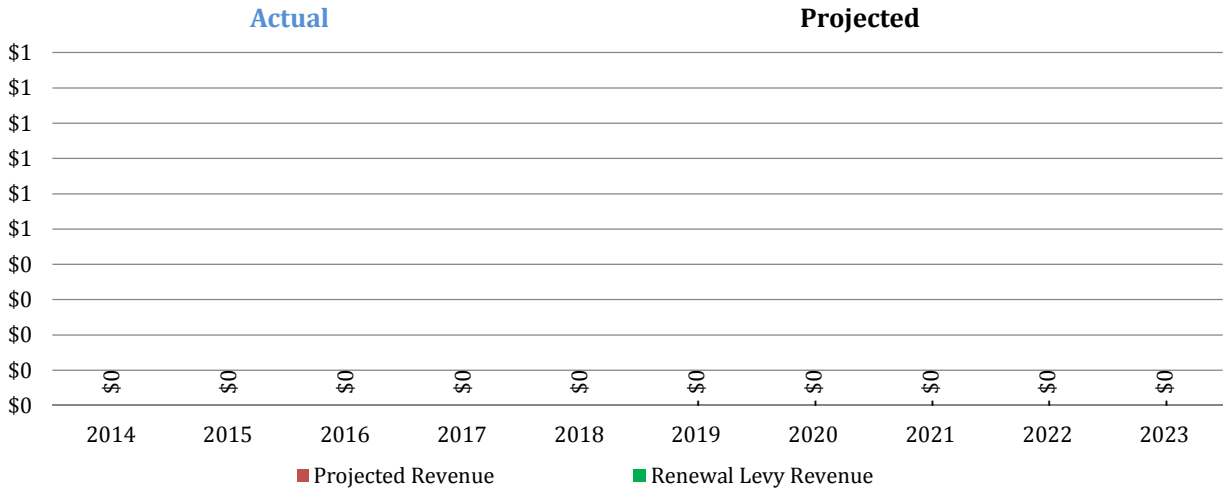
This line item reflects the taxes raised from the only companies still required to pay tangible personal property tax: utility companies. Gradual growth is assumed moving forward. In general, valuations for the utility companies have been strong in recent years, averaging an increase of about 4.0% for tax years 2011 through 2017. Utility companies have been heavily reinvesting in their own infrastructure. The overall valuation growth has allowed for the growth of this revenue stream. Moving forward, the reinvestment taking place is expected to taper off. Assessed valuation increases for public utilties is forecasted at 1.7% for tax years 2018 through 2022.

**Projected % trends include renewal levies*

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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%

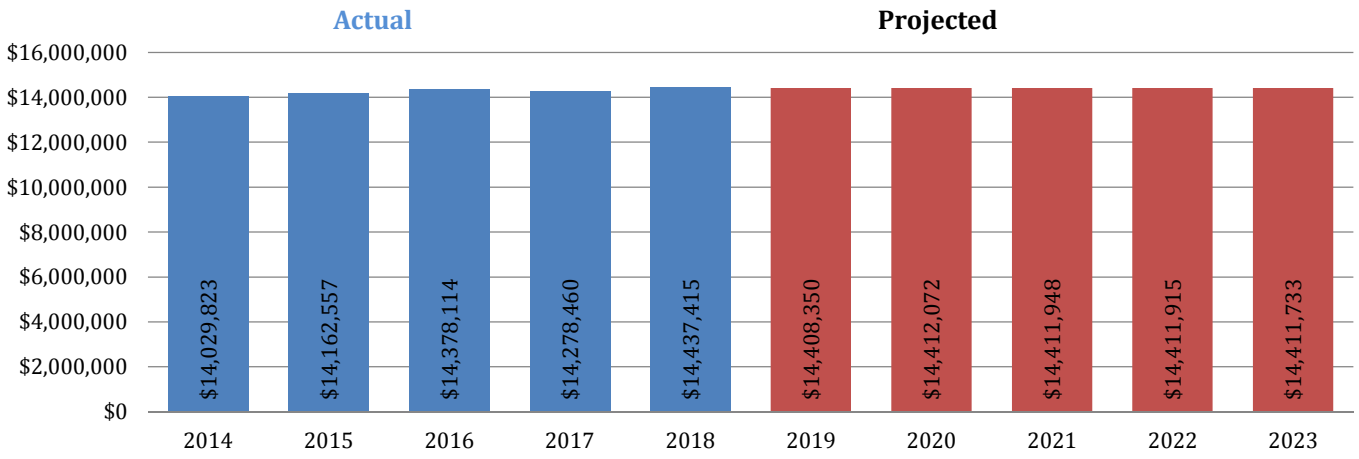
NOT APPLICABLE

**Projected % trends include renewal levies*

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1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



		FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	14,437,415	14,408,350	14,412,072	14,411,948	14,411,915	14,411,733
YOY $ Change	158,955	(29,065)	3,722	(124)	(33)	(182)
YOY % Change	1.1%	-0.2%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	55.1%	54.4%	53.7%	53.6%	53.2%	53.0%
Core Funding Per Pupil	6,010	6,020	6,100	6,200	6,300	6,400
State Share Index (SSI)	54.5%	54.5%	51.8%	51.8%	49.4%	49.4%
State Core Funding Per Pupil	3,276	3,281	3,162	3,214	3,114	3,163
Formula ADM (Funded Student Count)	2,788	2,754	2,723	2,698	2,691	2,655
Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee

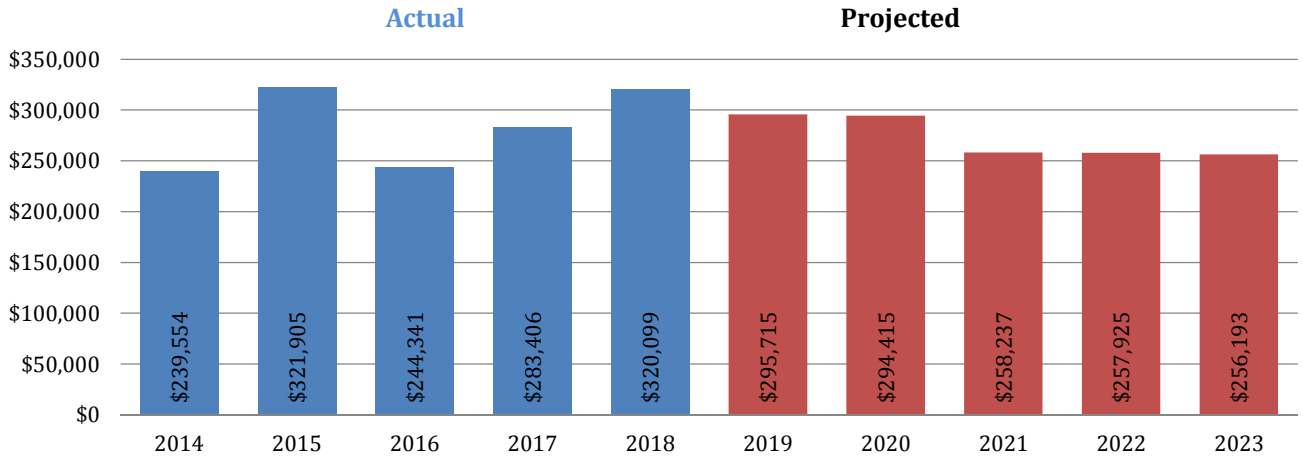
Unrestricted Grants-in-Aid is the District's largest revenue source and is determined by the state funding formula for schools in Ohio. In July 2017, the State Legislature approved the new biennium budget which kept the same funding formula as the previous two bienniums with only minor changes. The various components of the formula are based on student enrollment and the relative wealth of the District in comparison to districts around the state. The relative wealth, as calculated by ODE, determines how large of a percentage the District will receive of the per pupil amount the state allocates (state share index, or SSI). The District's SSI for fiscal years 2016 and 2017 was 59.58%. For fiscal years 2018 and 2019, it decreased to 54.50% due to increased property valuations and decreased student enrollment. Decreasing student enrollment is going to present a long-term problem for the District financially. Moving forward, the expectation is that this trend on residential enrollment will continue. With this large fluctuation in the District's SSI, the District is now on the Guarantee for fiscal year 2018 and beyond. Being on the Guarantee means the formula calculates a funding amount lower than what the District received previously. While on the Guarantee, the State has historically subsidized the funding difference between the calculated amount and the actual amount received by the District the previous fiscal year. The current biennium is the first where legislature has approved parameters to begin to phase out some of the guarantee based on student enrollment reductions. This could put the District at risk of reduced funding in the future if the guarantee is not fully funded. The governor and state legislature will begin work on the new biennium budget in early calendar year 2019 which will cover July 1, 2019 through June 30, 2021.

In addition to state foundation revenue, casino tax revenue is included on this revenue line item which accounted for $149,232 in fiscal year 2018 and is projected at $148,148 in fiscal year 2019.

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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	320,099	295,715	294,415	258,237	257,925	256,193
YOY $ Change	36,693	(24,384)	(1,300)	(36,178)	(312)	(1,732)
YOY % Change	12.9%	-7.6%	-0.4%	-12.3%	-0.1%	-0.7%
Percentage of Total Revenue	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%
Economic Disadvantaged Funding	131,845	132,109	130,615	129,437	129,125	127,393
Percentage of Disadvantaged Students	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%

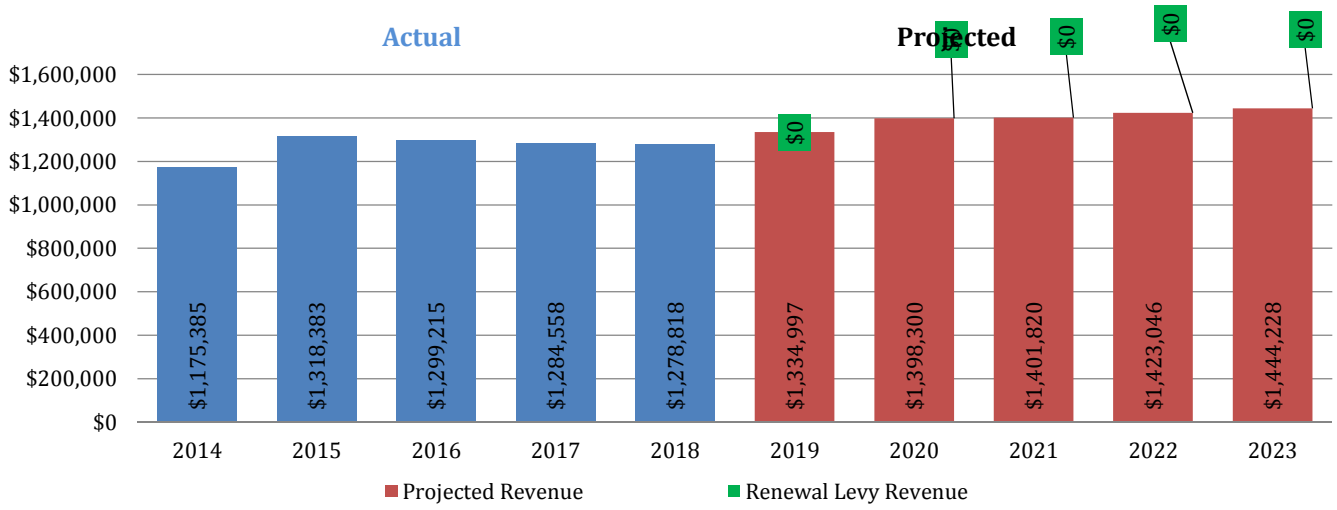
Restricted Grants-in-Aid includes state funding for both Career and Technical Education and Economically Disadvantaged Aid. The state has established guidelines for what specifically these dollars can be used for. The District is expecting about $113,000 in Career and Technical Education Funding and $132,000 in economically disadvantaged funding in fiscal year 2019.

Revenue from Catastrophic Aide, a State partial-reimbursement program for high cost special needs student, is also included on this line item. The District received $30,475, $26,601, and $52,132 in fiscal years 2016, 2017 and 2018, respectively. For forecasting purposes, the District is forecasting $50,000 for both fiscal years 2019 and 2020 and $15,000 annually thereafter.

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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	1,278,818	1,334,997	1,398,300	1,401,820	1,423,046	1,444,228
YOY $ Change	(5,740)	56,179	63,303	3,520	21,226	21,182
YOY % Change	-0.4%	4.4%	4.7%	0.3%	1.5%	1.5%

Percentage of Total Revenue	4.9%	5.0%	5.2%	5.2%	5.3%	5.3%

% of Residential Real Estate 10% Rollback	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%
% of Residential Real Estate 2.5% Rollback	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
% of Residential Real Estate Homestead	4.36%	4.36%	4.36%	4.36%	4.36%	4.36%

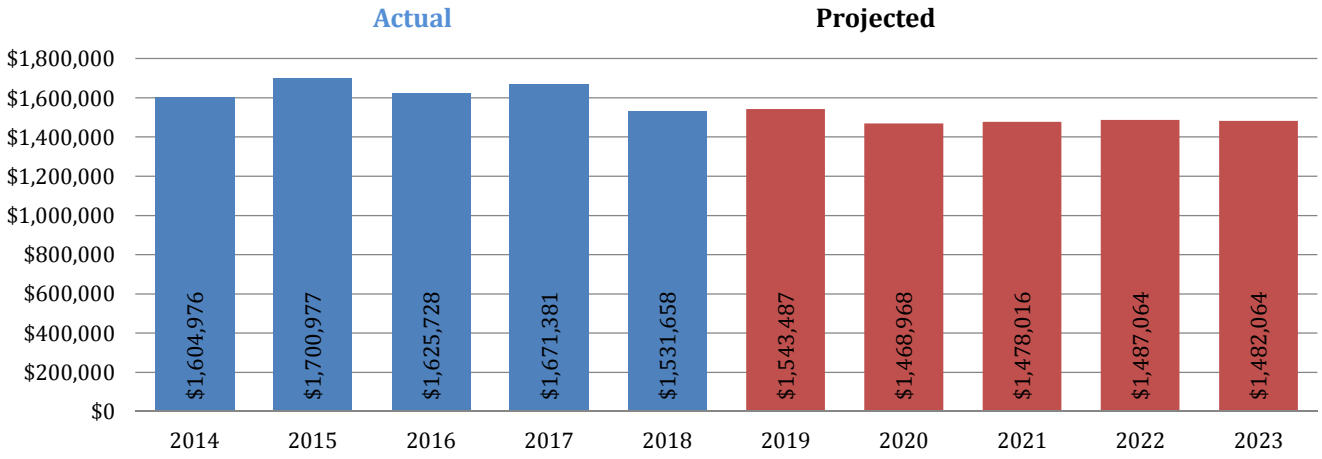
This allocation includes state reimbursements for Tangible Personal Property Tax loss, Homestead Exemption, and 10%/2.5% Rollback. Homestead and Rollback are state deductions taxpayers receive on their local property taxes based on certain requirements. The State, in turn, reimburses the District for revenue lost from these deductions. In the 2014-15 biennium, the State made some very drastic changes to these allocations. New levies passed after November 2013 are no longer eligible for the rollback exemption. Fortunately, the District's emergency levy was not impacted by this when it renewed in 2017 since it is was a renewal of the same levy with no modifications. Historically, this line item mirrors line 1.010 in growth or decline because it is a function of property tax collections.

**Projected % trends include renewal levies*

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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	1,531,658	1,543,487	1,468,968	1,478,016	1,487,064	1,482,064
YOY $ Change	(139,723)	11,829	(74,519)	9,048	9,048	(5,000)
YOY % Change	-8.4%	0.8%	-4.8%	0.6%	0.6%	-0.3%
Percentage of Total Revenue	5.8%	5.8%	5.5%	5.5%	5.5%	5.4%

The largest revenue item classified here is funding for open enrollment students. In fiscal year 2018, the District received $801,273 for open enrollment. That figure is anticipated to be approximately $840,000 in 2019. The forecast is assuming that the level of open enrolled students will remain consistent.

Another revenue stream included in this category is the collection of fees charged to students who participate in sports and other activities. These fees help cover the cost of offering extracurricular programming and only cover a small portion of total cost. The total amount collected from these fees was $82,663 in 2018 and is kept at $82,500 for all five years of the forecast.

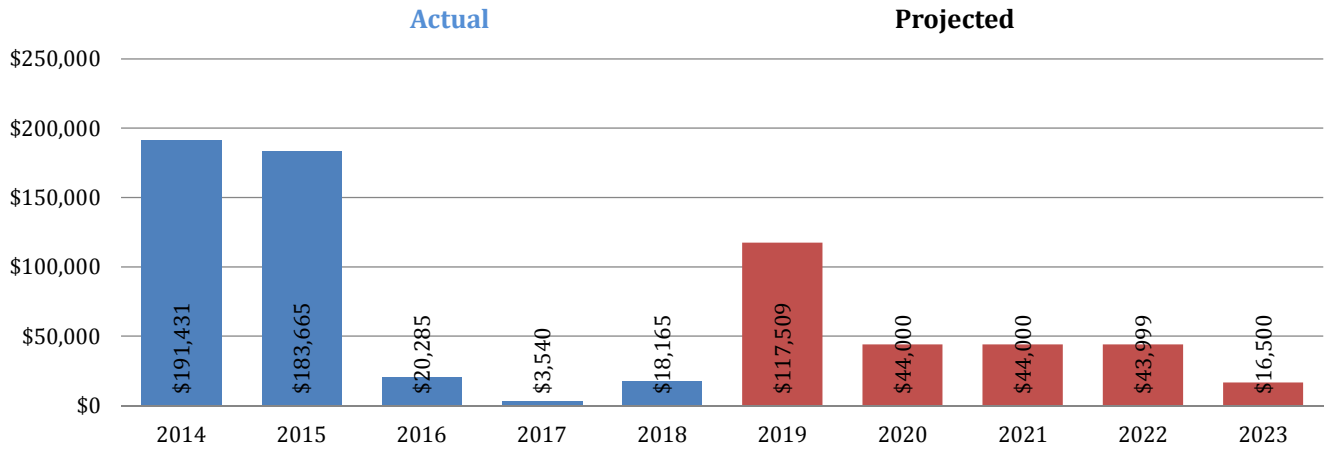
The District also receives reimbursements from Medicaid for a small portion of the costs incurred providing services to special needs students. Average projected revenues over the forecast period are near $100,000 each year for Medicaid reimbursements.

Investment earnings accounted for $155,143 in fiscal year 2018. This revenue stream has increased significantly over the past few years based on a recovering market and a more robust investment plan.

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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.



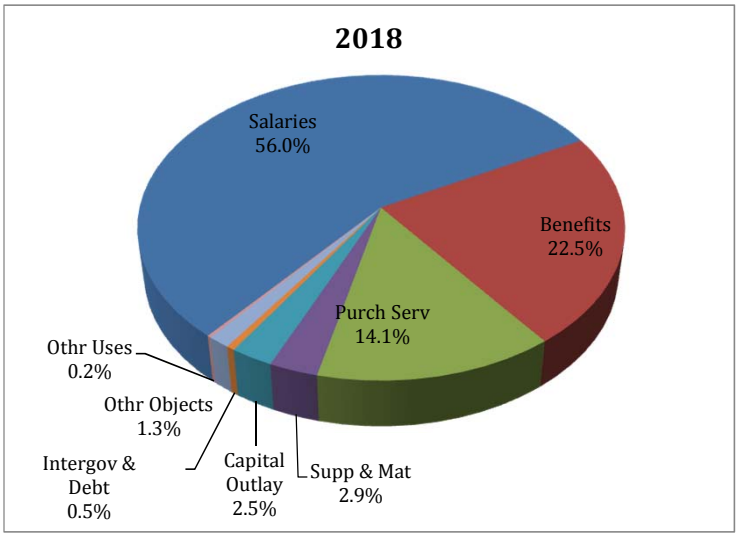
		FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	18,165	117,509	44,000	44,000	43,999	16,500
YOY $ Change	14,625	99,344	(73,509)	-	(1)	(27,499)
YOY % Change	413.1%	546.9%	-62.6%	0.0%	0.0%	-62.5%
Percentage of Total Revenue	0.1%	0.4%	0.2%	0.2%	0.2%	0.1%
Transfers In	-	-	-	-	-	-
Advances In	-	-	27,500	27,500	27,499	-

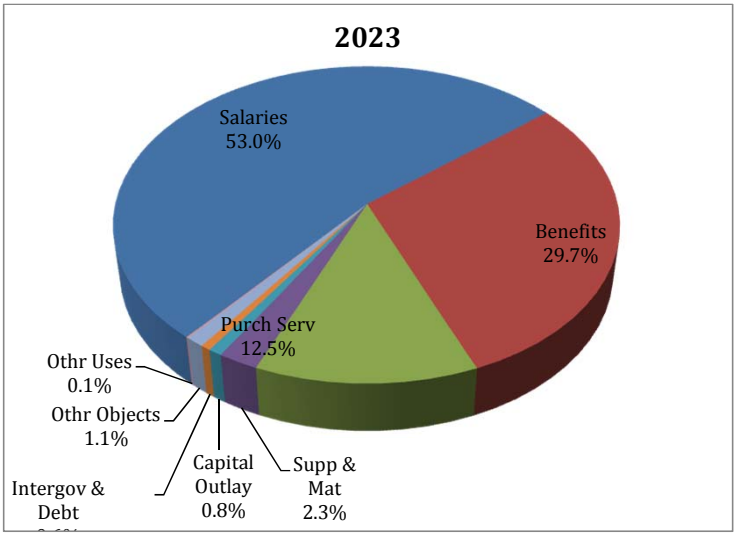
Advance-in receipts are included in fiscal years 2020 through 2022. This is the anticipated return of an advance-out expenditure in fiscal year 2019 with regards to the final turf replacement payment out of the permanent improvement fund.

Other miscellaneous reimbursements and refunds are included on this line. Fiscal year 2019 shows a big increase due to the District receiving a BWC rebate in the amount of $61,924 and AEP rebates of $30,585 related to the LED lighting project. These are one-time monies, so the remaining fiscal years are anticipating only $26,500 annually.

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Expenditure Categories and Forecast Year-Over-Year Projected Overview





	Prev. 5-Year Avg. Annual Change	PROJECTED Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	5-Year Avg. Annual Change
Expenditures:							
3.010-Salaries	-0.45%	3.98%	1.73%	2.72%	2.79%	2.45%	2.73%
3.020-Benefits	0.46%	0.99%	27.08%	7.44%	7.58%	7.61%	10.14%
3.030-Purchased Services	10.86%	3.99%	3.29%	-1.89%	1.32%	1.14%	1.57%
3.040-Supplies & Materials	6.02%	-3.35%	-6.65%	0.96%	0.96%	3.86%	-0.85%
3.050-Capital Outlay	539.52%	-47.73%	-19.35%	-13.30%	1.47%	1.45%	-15.49%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	27.77%	21.36%	38.16%	-3.35%	-13.85%	0.95%	8.66%
4.300-Other Objects	0.07%	-4.27%	4.20%	-2.94%	0.00%	0.00%	-0.60%
4.500-Total Expenditures	1.51%	1.77%	7.37%	3.02%	3.71%	3.75%	3.92%
5.040-Total Other Uses	47.51%	111.41%	-70.21%	0.00%	0.00%	0.00%	8.24%
5.050-Total w/Other Uses	1.50%	2.01%	7.02%	3.01%	3.71%	3.74%	3.90%

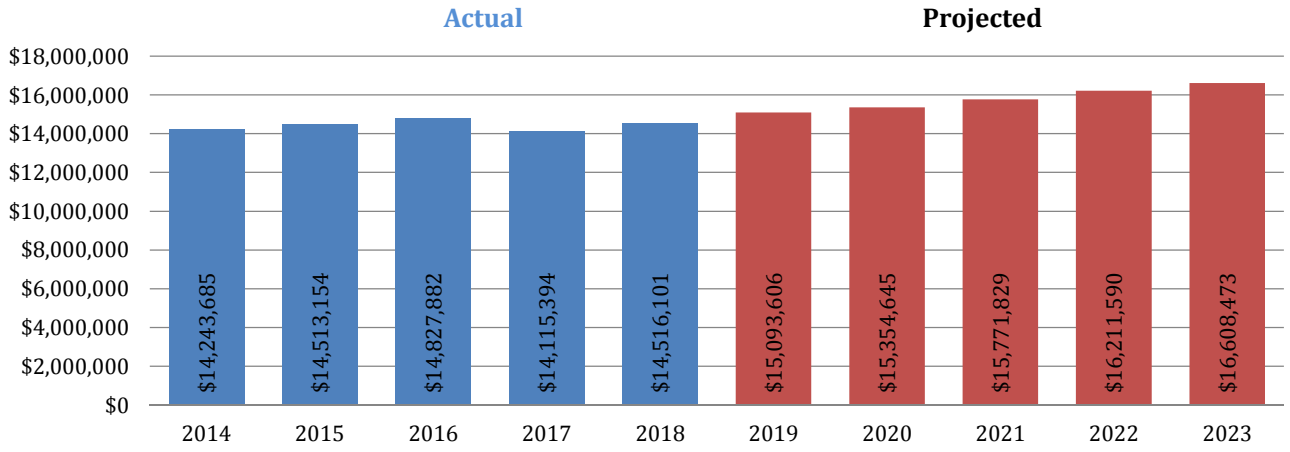
In total, expenditures are projected to increase by $519,583, or 2.01%, in fiscal year 2019. This is due to the net effect of anticipated increases/decreases the District will realize in all expenditure categories. As represented above, salaries and benefits accounted for 78.5% of total expenditures in fiscal year 2018 while purchased services, supplies, capital outlay, and other expenditures comprised the remaining 21.5%.

Further information on each expenditure category is provided on the next several pages.

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3.010 - Personnel Services

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



		FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	14,516,101	15,093,606	15,354,645	15,771,829	16,211,590	16,608,473
YOY $ Change	400,707	577,505	261,039	417,184	439,761	396,883
YOY % Change	2.8%	4.0%	1.7%	2.7%	2.8%	2.4%
Percentage of Total Budget	56.0%	57.1%	54.3%	54.1%	53.7%	53.0%

Personnel Service expenditures include employee salaries and stipends. Since the District is primarily a service agency, this is the largest expenditure category. In January 2017, the District settled the labor contract with the Louisville Education Association to replace the one that expired June 30, 2016. The contract covers the period of July 1, 2016 through June 30, 2019 and has salary increases which include steps each year, a 1% base increase on January 1, 2017, a 1.5% base increase for the 2017-18 school year, and a 1.5% base increase for the 2018-19 school year. In May 2018, the District settled an early settlmeent agreement with the Louisville Education Association for the period July 1, 2019 through June 30, 2022. Related salary increases are as follows: 2% base increase with step plus a 1% lump sum in fiscal year 2020, 2.5% base increase with step plus a 1% lump sum in fiscal year 2020, and 3% contingent base increase with step in fiscal year 2022, These increases are incorporated into the forecasted amounts for the respective fiscal years.

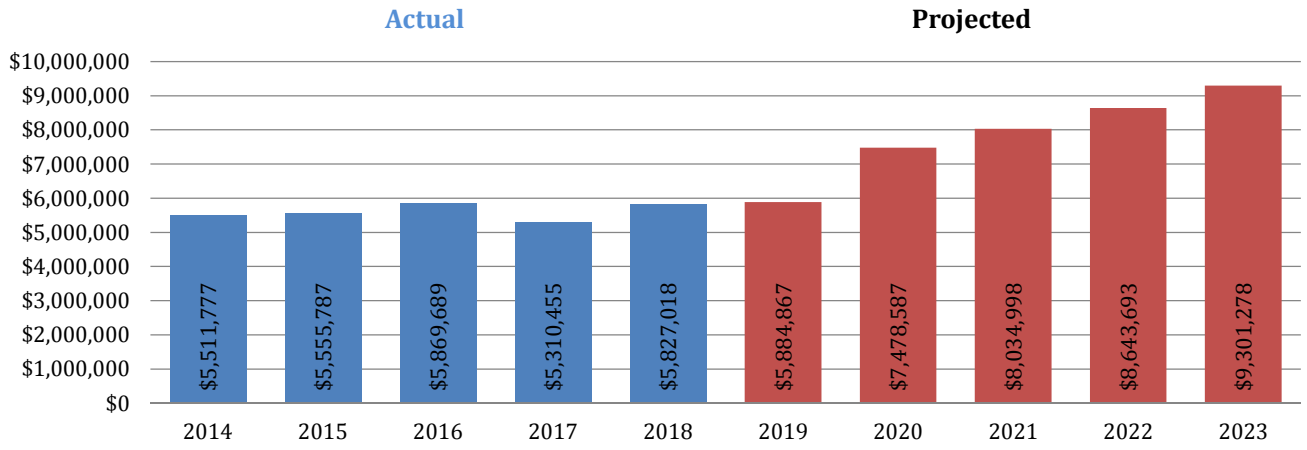
The District settled the labor contract with classified staff in October 2016. Their contract includes wage increases including steps, a 0.5% base increase on July 1, 2016 increased to 1.0% on January 1, 2017, a 1.5% base increase in fiscal year 2018, and 2% base increases in both fiscal years 2019 and 2020. In addition, a 1% lump sum payment is included in both fiscal years 2020 and 2021. In August 2018, the District settled an early settlmeent agreement with the classified staff for the period July 1, 2020 through June 30, 2023 mirroring the certified settlement. These increases are incorporated into the forecasted amounts for the respective fiscal years.

Beginning in fiscal year 2018, certified substitutes were no longer paid by the District through payroll. That cost is now represented in purchased services.

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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	5,827,018	5,884,867	7,478,587	8,034,998	8,643,693	9,301,278
YOY $ Change	516,563	57,849	1,593,720	556,411	608,695	657,585
YOY % Change	9.7%	1.0%	27.1%	7.4%	7.6%	7.6%
Percentage of Total Budget	22.5%	22.3%	26.4%	27.6%	28.6%	29.7%

The District's second highest expenditure is Employees' Retirement/Insurance Benefits which includes Board-paid pension benefits, medicare, and worker's compensation, as well as the Board-paid share of Medical, Prescription, Dental, Vision and Life insurances.

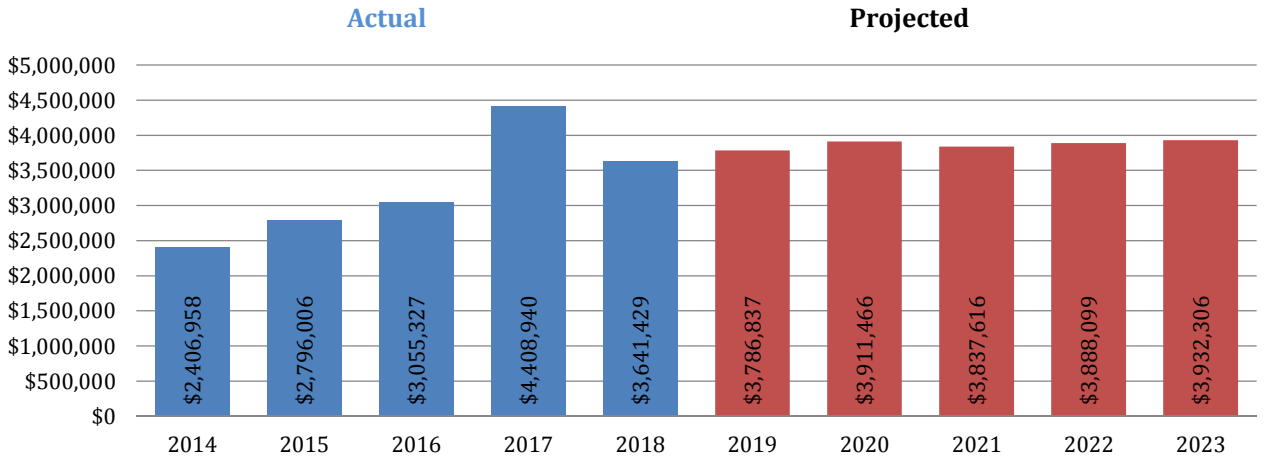
Pension, medicare, and workers' compensation are all percentage based and are calculated based on the forecasted salaries.

Insurance is calculated based on assumed annual increases to the premium. For fiscal years 2018 and 2019, premiums increased by 4.5 percent and 6.85 percent, respectively. For the remainder of the forecast period, an annual increase of 10 percent is included. Another factor with the forecasted insurance amounts deals with premium holidays. Since the health plan is partially self-funded, based on the claims experience, each year the plan reserves are analyzed and if the reserves are higher than the required limit, the plan can and has awarded premium holidays, or a specified number of months where the premiums are reduced/waived. Since the plan experienced a great year in fiscal year 2017, the reserves were healthy, and the District was awarded two premium holidays to take advantage of in fiscal year 2018. Likewise, three premium holidays were approved for fiscal year 2018 to be taken in fiscal year 2019 and are incorporated into the forecast. These three premium holidays account for approximately $1,080,000 in savings. Due to the fact that premium holidays are awarded on an annual basis and are not guaranteed from one year to the next, no premium holidays have been included in the forecasted amounts in any of the remaining forecasted years.

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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	3,641,429	3,786,837	3,911,466	3,837,616	3,888,099	3,932,306
YOY $ Change	(767,511)	145,408	124,629	(73,850)	50,483	44,207
YOY % Change	-17.4%	4.0%	3.3%	-1.9%	1.3%	1.1%

Percentage of Total Budget	14.1%	14.3%	13.8%	13.2%	12.9%	12.5%

Purchased Services include utilities, tuition, property insurance, health services, repair services, and other contracted services. In addition to these, the State deductions for Community Schools and Open Enrolled Out students are included here.

The District is expected to realize a decrease in utility costs in fiscal year 2019 primarily due to an LED lighting project which was completed in fiscal year 2018. The anticipated annual electricity cost savings is $60,000 each year for fiscal years 2019 and beyond. The District has also implemented other measures to improve utility consumption throughout the District.

A few of the high dollar costs in this expenditure category revolve around special education. The District contracts for occupation therapy, physical therapy, interpreter services, and other excess costs and tuition related to the District's special education needs. These are expenditures that are needed to service the specific needs of current students and can fluctuate greatly from one year to the next. For that reason, it is difficult to forecast these costs; however, over the last several years, these costs have continued to climb, so the forecast includes a continuation of trends.

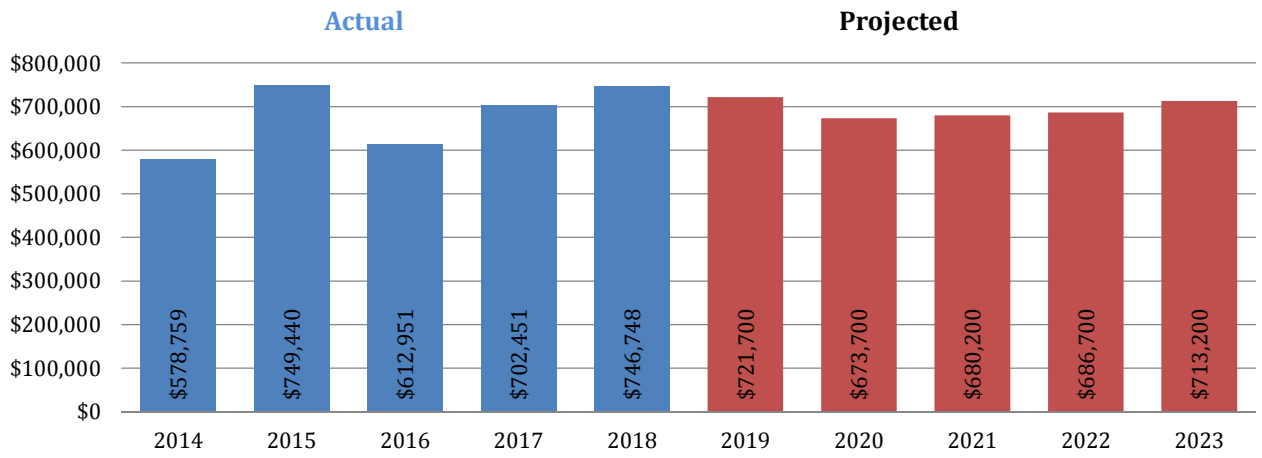
The District incurs costs related to the College Credit Plus program and must pay credit hour costs and class textbooks. The tuition cost is projected at just over $100,000 for fiscal years 2019 and beyond.

In 2018, the District began paying for teaching subs through a service contract with the Stark County ESC instead of through payroll.

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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	746,748	721,700	673,700	680,200	686,700	713,200
YOY $ Change	44,297	(25,048)	(48,000)	6,500	6,500	26,500
YOY % Change	6.3%	-3.4%	-6.7%	1.0%	1.0%	3.9%
Percentage of Total Budget	2.9%	2.7%	2.4%	2.3%	2.3%	2.3%

Supplies and Materials include not only instructional supplies, textbooks, and office supplies but also custodial supplies, transportation supplies, and bus fuel.

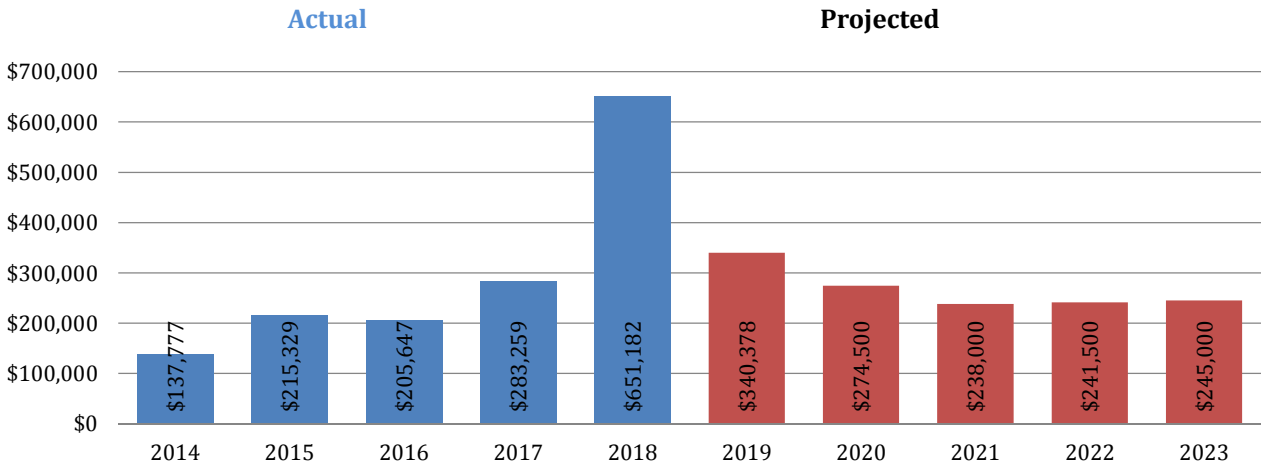
For fiscal years 2017 and 2018, fuel costs totaled $118,261 and $130,258. Increases to fuel costs are anticipated and forecasted for future years.

All other supply costs are anticipated to remain fairly consistent throughout the forecast period.

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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	651,182	340,378	274,500	238,000	241,500	245,000
YOY $ Change	367,923	(310,804)	(65,878)	(36,500)	3,500	3,500
YOY % Change	129.9%	-47.7%	-19.4%	-13.3%	1.5%	1.4%
Percentage of Total Budget	2.5%	1.3%	1.0%	0.8%	0.8%	0.8%

Capital outlay includes building equipment, technology equipment, musical instruments, and buses/vehicles.

The District has begun and plans to continue the one to one technology initiative. In fiscal year 2016, 5th and 6th grades began the initiative. In fiscal year 2017, it was expanded to 4th and 7th grades, and in fiscal year 2018, it was expanded to all high school students.

The District addressed some capital needs during fiscal year 2018 which is reflected in the increase of this line item for this year. One of these included a LED lighting project for interior and external lighting at LMS, NN, and the bus garage as well as just external lighting upgrades at LHS. This was an energy conservation project and is anticipated to save the District over $60,000 in utility and material costs annually.

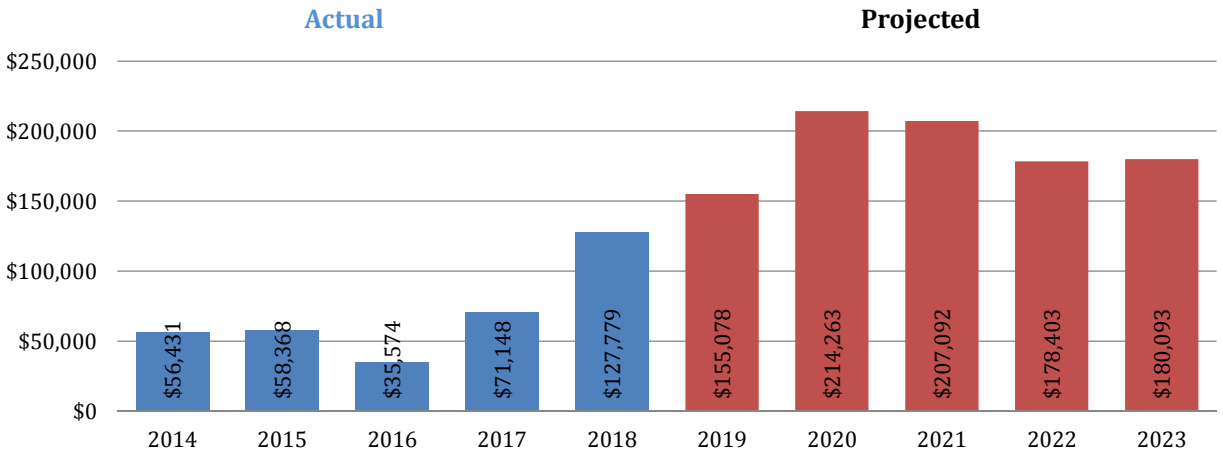
Additionally, the District will look at purchasing additional technology and building equipment as needed.

The forecasted amounts in this line item are decreasing significantly throughout the forecast as the equipment purchases for the one to one initiative will be moved to the District's permanent improvement levy beginning in fiscal year 2019.

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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.



		FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	127,779	155,078	214,263	207,092	178,403	180,093
YOY $ Change	56,631	27,299	59,185	(7,171)	(28,689)	1,690
YOY % Change	79.6%	21.4%	38.2%	-3.3%	-13.9%	0.9%

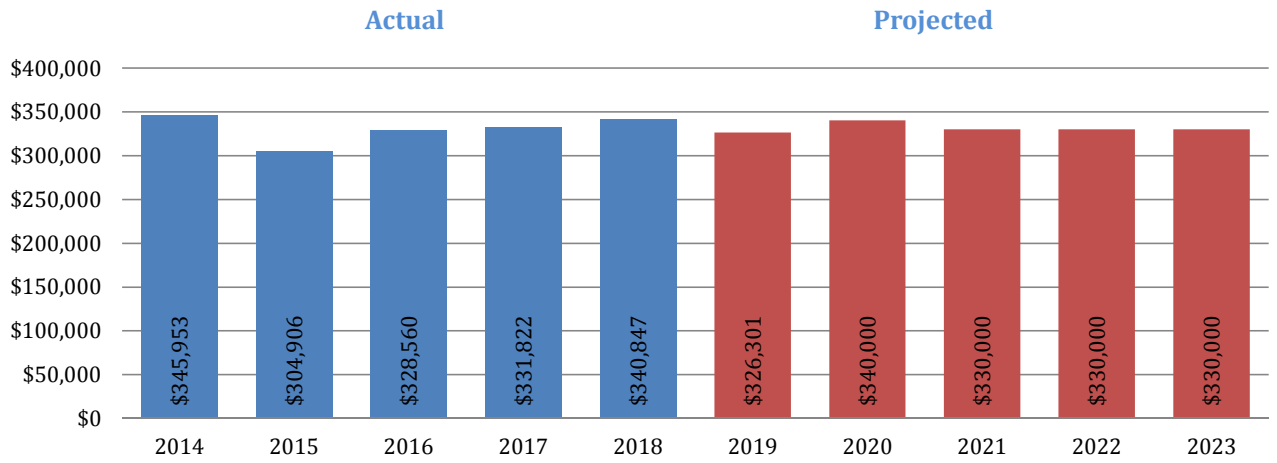
Percentage of Total Budget	0.5%	0.6%	0.8%	0.7%	0.6%	0.6%

The District purchased four buses through a lease-purchase agreement in the summer of 2015. The District purchased four additional buses through a lease-purchase agreement in October 2017. The amounts included as principal and interest correlate specifically to the payments required per those agreement. The District plans to continue this cycle and obtain 4 new buses in both fiscal year 2020 and fiscal year 2022. The associated costs are included in the forecast.

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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.



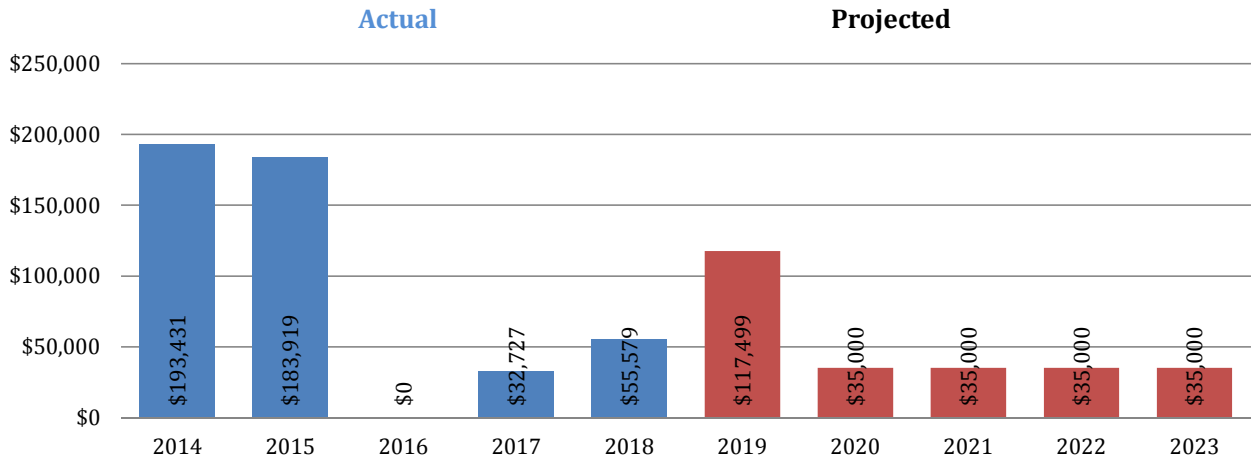
		FORECASTED				
	2018	2019	2020	2021	2022	2023
Total	340,847	326,301	340,000	330,000	330,000	330,000
YOY $ Change	9,025	(14,546)	13,699	(10,000)	-	-
YOY % Change	2.7%	-4.3%	4.2%	-2.9%	0.0%	0.0%
Percentage of Total Budget	1.3%	1.2%	1.2%	1.1%	1.1%	1.1%

The Other Object expenditure category includes audit fees, liability insurance, ESC deductions, and County Auditor/Treasurer fees. These costs are forecasted to remain fairly consistent through the forecast period.

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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	55,579	117,499	35,000	35,000	35,000	35,000
YOY $ Change	22,852	61,920	(82,499)	-	-	-
YOY % Change	69.8%	111.4%	-70.2%	0.0%	0.0%	0.0%
Percentage of Total Budget	**0.2%**	**0.4%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**
Transfers Out	55,579	35,000	35,000	35,000	35,000	35,000
Advances Out	-	82,499	-	-	-	-

All student fee expenditures are accounted for in a separate fund. Beginning in fiscal year 2017, the student fee account was reconciled at the end of the school year, and the general fund now transfers money over annually to subsidize the fee-related expenditures for those students who do not pay fees because of qualifying for free/reduced lunch.

For fiscal year 2018, an additional $25,000 transfer was made to sustain the general athletic fund.

In fiscal year 2019, an advance to the permanent improvement fund is forecasted in relation to the final payment for the turf replacement. The permanent improvement fund will repay this advance back to the general fund in subsequent years.

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Louisville City School District - Stark County

Five Year Forecast

	Actual	FORECASTED				
Fiscal Year:	2018	2019	2020	2021	2022	2023
Revenue:						
1.010 - General Property Tax (Real Estate)	7,882,031	8,007,764	8,442,943	8,488,374	8,614,927	8,740,919
1.020 - Public Utility Personal Property	731,196	756,880	787,819	813,132	831,541	854,529
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	14,437,415	14,408,350	14,412,072	14,411,948	14,411,915	14,411,733
1.040 - Restricted Grants-in-Aid	320,099	295,715	294,415	258,237	257,925	256,193
1.050 - Property Tax Allocation	1,278,818	1,334,997	1,398,300	1,401,820	1,423,046	1,444,228
1.060 - All Other Operating Revenues	1,531,658	1,543,487	1,468,968	1,478,016	1,487,064	1,482,064
1.070 - Total Revenue	26,181,217	26,347,193	26,804,517	26,851,527	27,026,418	27,189,666
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	27,500	27,500	27,499	-
2.060 - All Other Financing Sources	18,165	117,509	16,500	16,500	16,500	16,500
2.070 - Total Other Financing Sources	18,165	117,509	44,000	44,000	43,999	16,500
2.080 - Total Rev & Other Sources	26,199,382	26,464,702	26,848,517	26,895,527	27,070,417	27,206,166
Expenditures:						
3.010 - Personnel Services	14,516,101	15,093,606	15,354,645	15,771,829	16,211,590	16,608,473
3.020 - Employee Benefits	5,827,018	5,884,867	7,478,587	8,034,998	8,643,693	9,301,278
3.030 - Purchased Services	3,641,429	3,786,837	3,911,466	3,837,616	3,888,099	3,932,306
3.040 - Supplies and Materials	746,748	721,700	673,700	680,200	686,700	713,200
3.050 - Capital Outlay	651,182	340,378	274,500	238,000	241,500	245,000
Intergovernmental & Debt Service	127,779	155,078	214,263	207,092	178,403	180,093
4.300 - Other Objects	340,847	326,301	340,000	330,000	330,000	330,000
4.500 - Total Expenditures	25,851,104	26,308,767	28,247,161	29,099,735	30,179,985	31,310,350
Other Financing Uses						
5.010 - Operating Transfers-Out	55,579	35,000	35,000	35,000	35,000	35,000
5.020 - Advances-Out	-	82,499	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	55,579	117,499	35,000	35,000	35,000	35,000
5.050 - Total Exp and Other Financing Uses	25,906,683	26,426,266	28,282,161	29,134,735	30,214,985	31,345,350
6.010 - Excess of Rev Over/(Under) Exp	292,699	38,436	(1,433,644)	(2,239,208)	(3,144,568)	(4,139,184)
7.010 - Cash Balance July 1 (No Levies)	5,013,863	5,306,562	5,344,998	3,911,354	1,672,146	(1,472,422)
7.020 - Cash Balance June 30 (No Levies)	5,306,562	5,344,998	3,911,354	1,672,146	(1,472,422)	(5,611,606)
		Reservations				
8.010 - Estimated Encumbrances June 30	434,744	-	-	-	-	-
9.080 - Reservations Subtotal	51,771	47,771	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	4,820,047	5,297,227	3,911,354	1,672,146	(1,472,422)	(5,611,606)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	4,820,047	5,297,227	3,911,354	1,672,146	(1,472,422)	(5,611,606)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	4,820,047	5,297,227	3,911,354	1,672,146	(1,472,422)	(5,611,606)

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