Louisville City School District

Stark County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2015, 2016 and 2017 Actual;
Forecasted Fiscal Years Ending June 30, 2018 Through 2022

OCTOBER 2017

		Actual				Forecasted				
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
	Revenues									
1.010	General Property Tax (Real Estate)	$7,341,644	$7,547,602	$7,699,326	2.4%	$7,869,125	$7,098,508	$6,366,783	$6,384,353	$6,437,086
1.020	Tangible Personal Property Tax	569,013	633,218	704,747	11.3%	713,772	684,865	655,980	662,540	669,161
1.035	Unrestricted State Grants-in-Aid	14,162,557	14,378,114	14,278,460	0.4%	14,319,301	14,365,752	14,365,835	14,365,868	14,365,876
1.040	Restricted State Grants-in-Aid	321,905	244,341	283,406	-4.1%	273,261	263,398	261,434	259,570	259,116
1.050	Property Tax Allocation	1,318,383	1,299,215	1,284,558	-1.3%	1,284,524	1,162,224	1,037,522	1,040,711	1,050,363
1.060	All Other Revenues	1,700,977	1,625,728	1,671,381	-0.8%	1,749,373	1,667,479	1,679,651	1,694,841	1,710,031
1.070	*Total Revenues*	25,414,479	25,728,218	25,921,878	1.0%	26,209,357	25,242,225	24,367,205	24,407,883	24,491,633
	Other Financing Sources									
2.040	Transfers-In	58,369								
2.050	Advances-In	125,000								
2.060	All Other Financing Sources	296	20,285	3,540	3335.2%	15,000	15,000	15,000	15,000	15,000
2.070	*Total Other Financing Sources*	183,665	20,285	3,540	-85.8%	15,000	15,000	15,000	15,000	15,000
2.080	*Total Revenues and Other Financing Sources*	25,598,144	25,748,503	25,925,418	0.6%	26,224,357	25,257,225	24,382,205	24,422,883	24,506,633
	Expenditures									
3.010	Personnel Services	14,513,154	14,827,882	14,115,394	-1.3%	14,606,429	14,926,868	15,282,618	15,630,989	15,972,728
3.020	Employees' Retirement/Insurance Benefits	5,555,787	5,869,689	5,310,455	-1.9%	5,701,512	6,925,673	7,425,965	7,966,997	8,558,190
3.030	Purchased Services	2,796,006	3,055,327	4,408,940	26.8%	3,738,156	3,696,112	3,739,629	3,764,129	3,801,847
3.040	Supplies and Materials	749,440	612,951	702,451	-1.8%	726,054	650,900	662,400	673,900	685,400
3.050	Capital Outlay	215,329	205,647	283,259	16.6%	670,000	275,000	280,000	285,000	290,000
	Debt Service:									
4.055	Principal-Other	55,000	30,542	62,498	30.1%	105,888	151,256	155,938	125,189	46,116
4.060	Interest and Fiscal Charges	3,368	5,032	8,650	60.7%	12,086	13,543	8,861	4,035	708
4.300	Other Objects	304,905	328,560	331,822	4.4%	364,937	351,250	366,500	355,250	356,000
4.500	*Total Expenditures*	24,192,989	24,935,630	25,223,469	2.1%	25,925,062	26,990,602	27,921,911	28,805,489	29,710,989
	Other Financing Uses									
5.010	Transfers-Out	58,919		32,727		50,000	50,000	50,000	50,000	50,000
5.020	Advances-Out	125,000								
5.040	*Total Other Financing Uses*	183,919		32,727		50,000	50,000	50,000	50,000	50,000
5.050	*Total Expenditures and Other Financing Uses*	24,376,908	24,935,630	25,256,196	1.8%	25,975,062	27,040,602	27,971,911	28,855,489	29,760,989
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,221,236	812,873	669,222	-25.6%	249,295	1,783,377-	3,589,705-	4,432,606-	5,254,356-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,310,532	3,531,768	4,344,641	37.9%	5,013,863	5,263,158	3,479,781	109,924-	4,542,530-
7.020	*Cash Balance June 30*	3,531,768	4,344,641	5,013,863	19.2%	5,263,158	3,479,781	109,924-	4,542,530-	9,796,887-
8.010	*Estimated Encumbrances June 30*	479,183	429,897	429,897	-5.1%					
	Reservation of Fund Balance									
9.070	Bus Purchases	75,566	66,371	66,371	-6.1%	53,471				
9.080	*Subtotal*	75,566	66,371	66,371	-6.1%	53,471				
10.010	*Fund Balance June 30 for Certification of Appropriations*	2,977,019	3,848,373	4,517,595	23.3%	5,209,687	3,479,781	109,924-	4,542,530-	9,796,887-
	Revenue from Replacement/Renewal Levies									
11.020	Property Tax - Renewal or Replacement						930,182	1,860,374	1,860,392	1,860,391
11.300	Cumulative Balance of Replacement/Renewal Levies						930,182	2,790,556	4,650,948	6,511,339
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	2,977,019	3,848,373	4,517,595	23.3%	5,209,687	4,409,963	2,680,632	108,418	3,285,548-
15.010	*Unreserved Fund Balance June 30*	2,977,019	3,848,373	4,517,595	23.3%	5,209,687	4,409,963	2,680,632	108,418	3,285,548-
	ADM Forecasts									
20.010	Kindergarten - October Count	229	194	181	-11.0%	197	188	202	191	205
20.015	Grades 1-12 - October Count	2,679	2,782	2,685	0.2%	2708	2647	2595	2569	2546

10.23.2017

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 2017

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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.

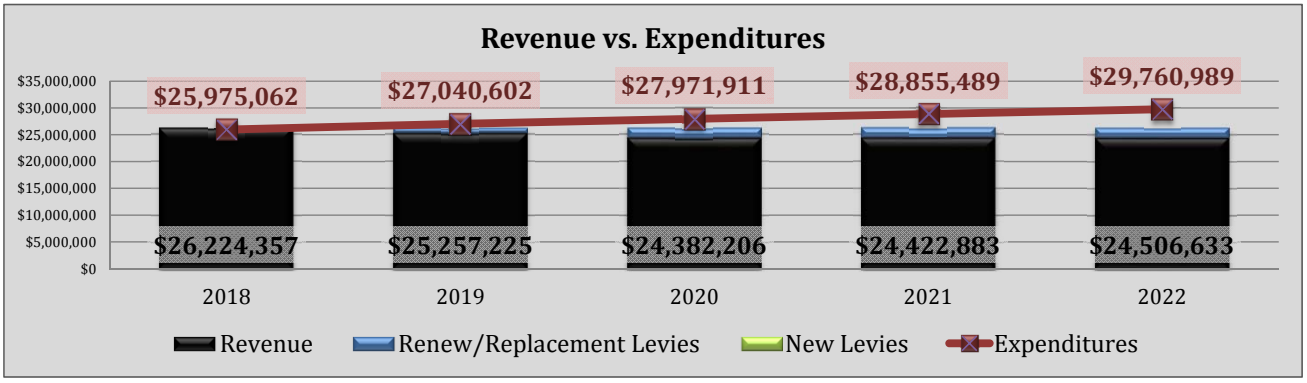
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Five Year Forecast - Simplified Statement

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Beginning Balance	5,013,863	5,263,158	4,409,963	2,680,632	108,418
+ Revenue	26,224,357	25,257,225	24,382,206	24,422,883	24,506,633
+ Proposed Renew/Replacement Levies	-	930,182	1,860,374	1,860,392	1,860,391
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(25,975,062)	(27,040,602)	(27,971,911)	(28,855,489)	(29,760,989)
= Revenue Surplus or Deficit	249,295	(853,195)	(1,729,332)	(2,572,214)	(3,393,966)
Ending Balance	5,263,158	4,409,963	2,680,632	108,418	(3,285,548)
Revenue Surplus or Deficit w/o Levies	249,295	(1,783,377)	(3,589,705)	(4,432,606)	(5,254,356)
Ending Balance w/o Levies	5,263,158	3,479,781	(109,924)	(4,542,530)	(9,796,887)

Summary:

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 in 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 deficit spending in fiscal years 2019 and beyone with the inclusion of tax proceeds associated with the renewal of the District's emergency operating levy. The request for renewal of the emergency operating levy will be on the November 2017 ballot. With the projected deficit spending, the ending cash balance is reduced each year and projected to dip below $0 as early as fiscal year 2020 when assuming the renewal of the levy. To offset deficit spending, the District will need to either receive additional revenues or reduce expenditures.

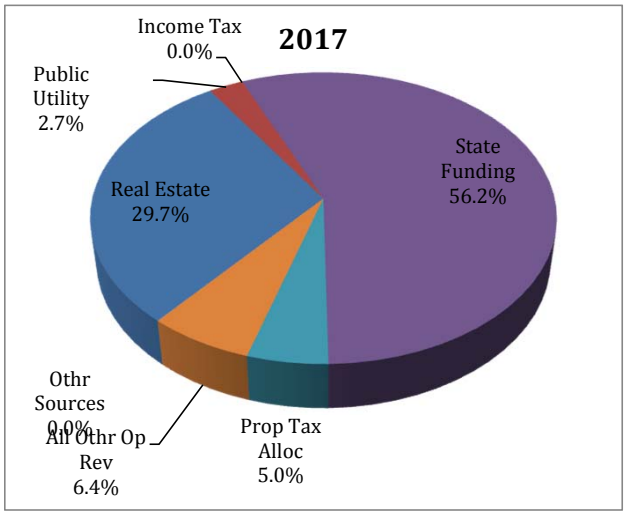


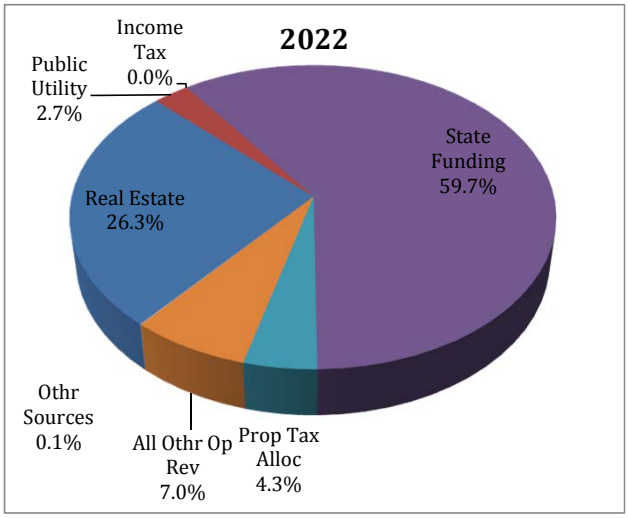
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Revenue Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	5-Year Avg. Annual Change
Revenue:							
1.010-Real Estate	5.65%	2.21%	-0.08%	0.42%	0.22%	0.67%	0.69%
1.020-Public Utility	13.86%	1.28%	0.87%	0.89%	0.95%	0.90%	0.98%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	0.25%	0.29%	0.32%	0.00%	0.00%	0.00%	0.12%
1.040-Restricted Aid	52.68%	-3.58%	-3.61%	-0.75%	-0.71%	-0.17%	-1.76%
1.045-Restr Federal SFSF	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	3.67%	0.00%	0.64%	0.45%	0.25%	0.74%	0.42%
1.060-All Other Operating	8.78%	4.67%	-4.68%	0.73%	0.90%	0.90%	0.50%
1.070-Total Revenue	2.10%	1.11%	-0.14%	0.21%	0.16%	0.32%	0.33%
2.070-Total Other Sources	-17.82%	323.73%	0.00%	0.00%	0.00%	0.00%	64.75%
2.080-Total Rev & Other Srcs	2.00%	1.15%	-0.14%	0.21%	0.16%	0.32%	0.34%

In total, revenues are projected to increase by $318,939, or 1.23 percent, in fiscal year 2018. This is largely due to the increase realized in real estate and public utility tax revenues which are projected to increase by a total of $178,824, or 2.12 percent from fiscal year 2017. Unfortunately, unrestricted state funding, the District's largest source of income, is not projected to realize much growth in fiscal year 2018. As represented below, state funding, real estate tax, and public utility tax accounted for 88.6% of total revenues in fiscal year 2017 while property tax allocation and other revenues/sources comprised the remaining 11.4%. Further information on each revenue source is provided on the next several pages.

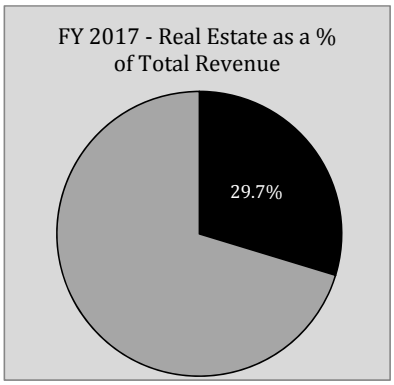


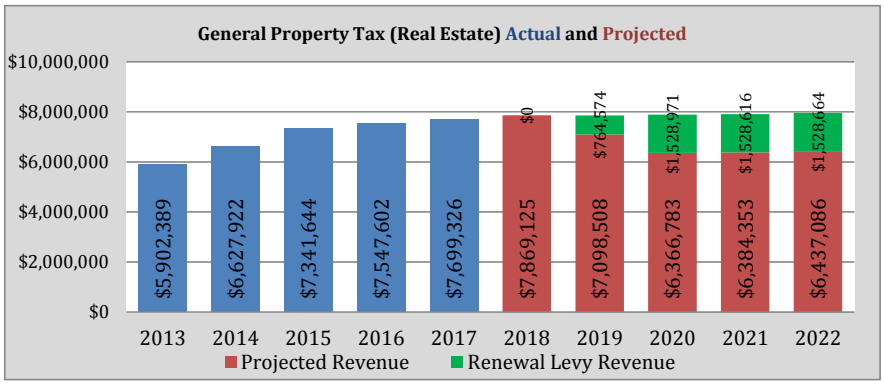


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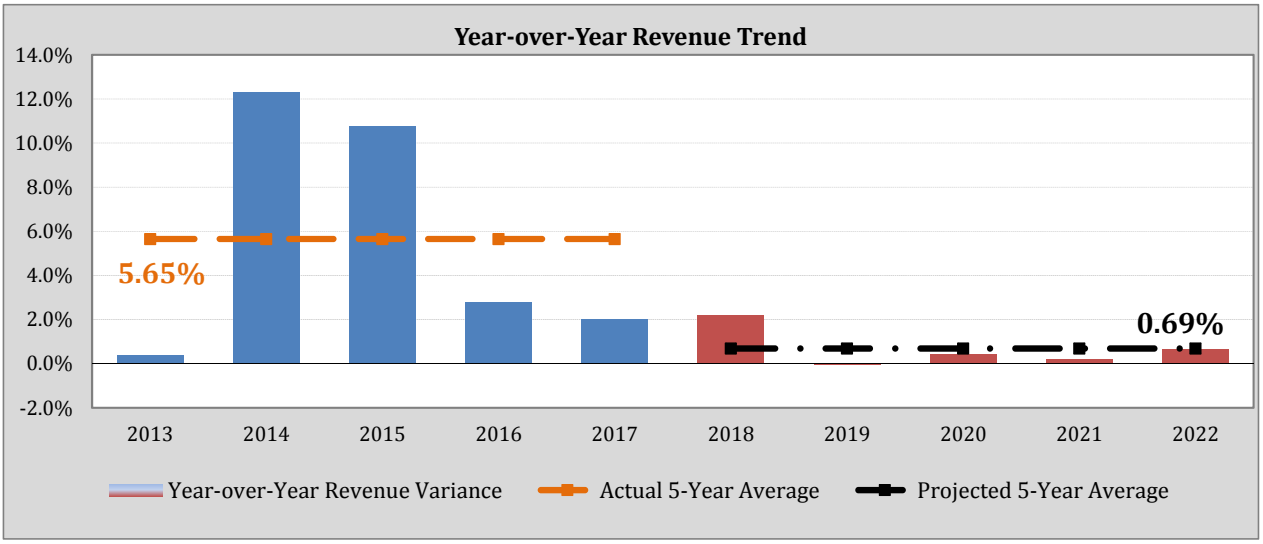
1.010 - General Property Tax (Real Estate)

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).





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. The District began collection of the new tax in the second half of fiscal year 2014 and has received/will receive a full year's worth of revenue for fiscal years 2015, 2016, 2017 and 2018. In fiscal year 2019, the District will receive the proceeds from the five-year levy for the first half of the fiscal year but not in the second half unless the levy is renewed. The first opportunity to attempt a levy renewal is November 2017, and the renewal issue will be on the ballot. The District has until November 2018 to renew the levy without the loss of any revenue. For forecasting purposes, the renewal of the levy cannot be assumed in any of the line items that currently receive proceeds from the levy (this includes lines 1.010, 1.020 and 1.050). Instead, the value of the levy is held in line 11.020 until it is renewed. This is the reason for the revenue drop in fiscal years 2019 and beyond. The real estate market within the District appears to be rebounding. 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; however, it is important to note that this increased value is still only slightly greater than the pre-recession values in 2006. Tax year 2016 values showed a 2% increase to a total of $365,355,510. Past 2016, assessed valuation increases are projected at an average of 0.5% in non-reappraisal/update years, and at an average of 2% in reappraisal/update years.

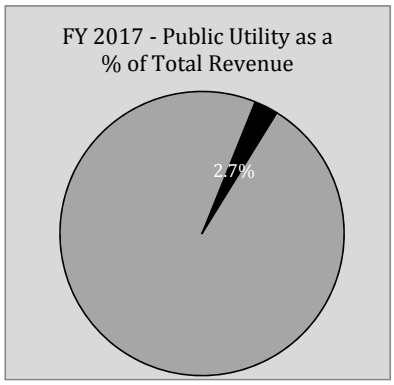


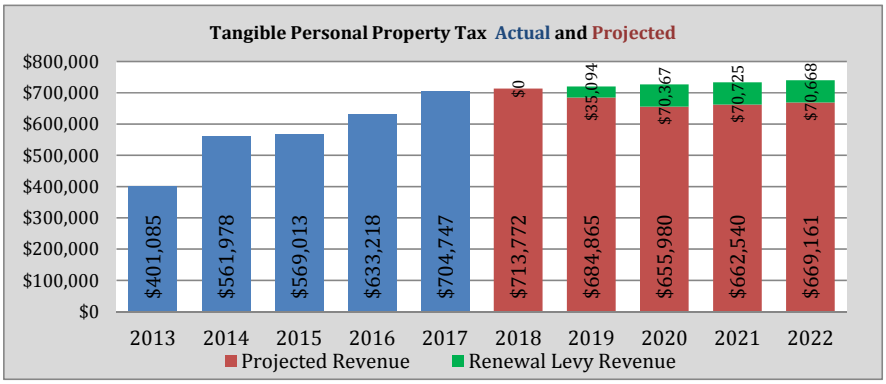
**Projected % trends include renewal levies*

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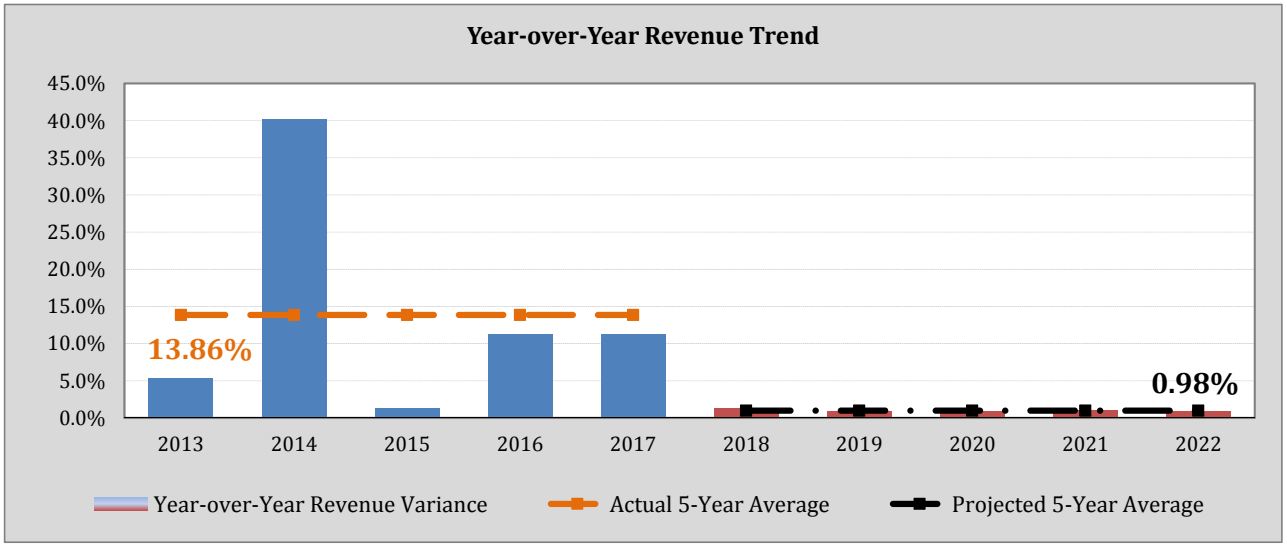
1.020 - Public Utility Personal Property

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





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 with a drop off in 2019 due to the emergency levy situation referenced previously. In general, valuations for the utility companies have been strong in recent years, averaging an increase of about 4.48% for tax years 2007 through 2016. 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% for each of the forecast years.

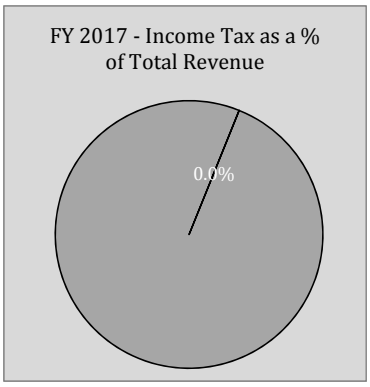


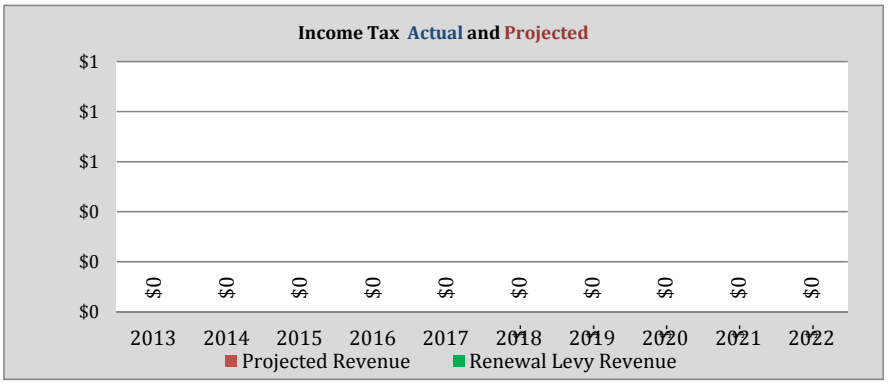
**Projected % trends include renewal levies*

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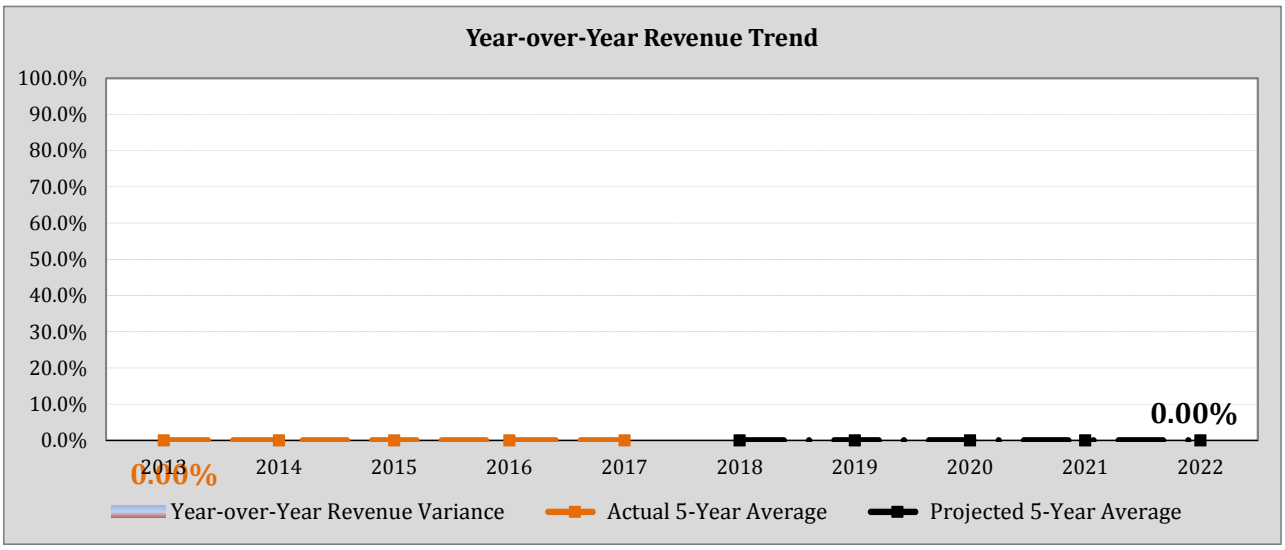
1.030 - Income Tax

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.





N/A

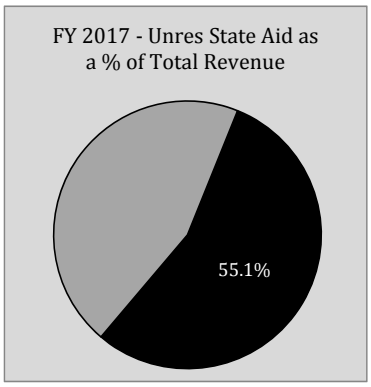


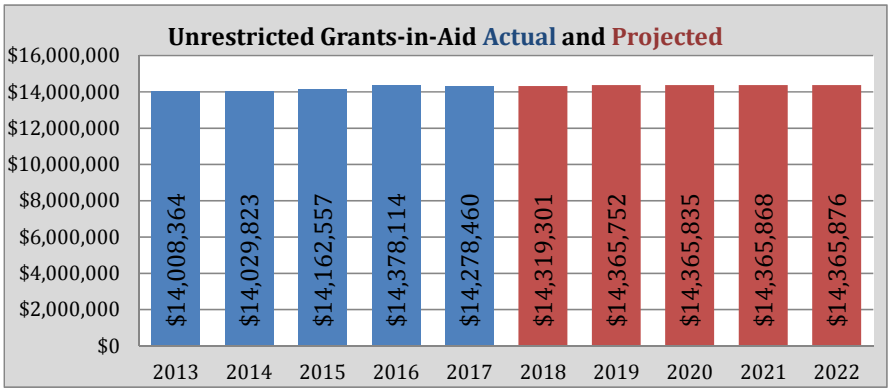
**Projected % trends include renewal levies*

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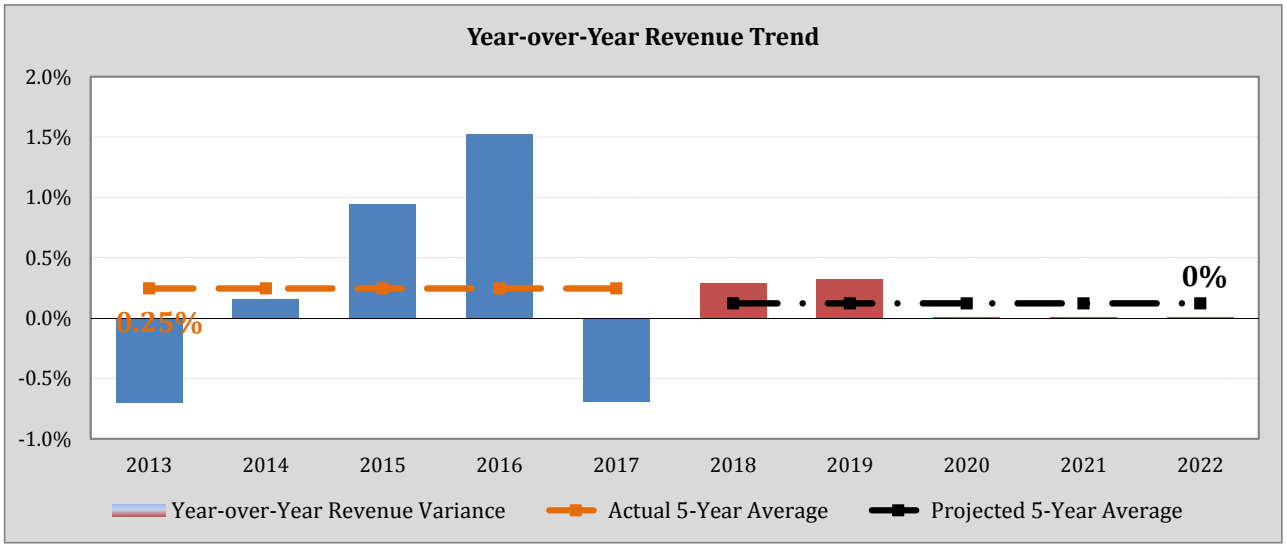
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.





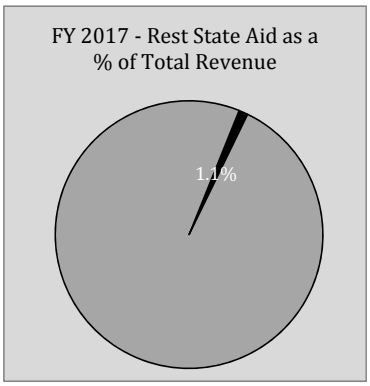
Unrestricted Grants-in-Aid is the District's largest revenue source and is determined by the state funding formula for schools in Ohio. In July, 2017, the State Legislature approved the new biennium budget which kept the same funding formula as the previous two bienniums with only minor changes. The 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 year 2018, it is projected to decrease to 54.49 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 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 acutal 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. In addition to state foundation revenue, casino tax revenue is included on this revenue line item which accounted for $147,246 in fiscal year 2017 and is projected at $143,779 for fiscal year 2018.

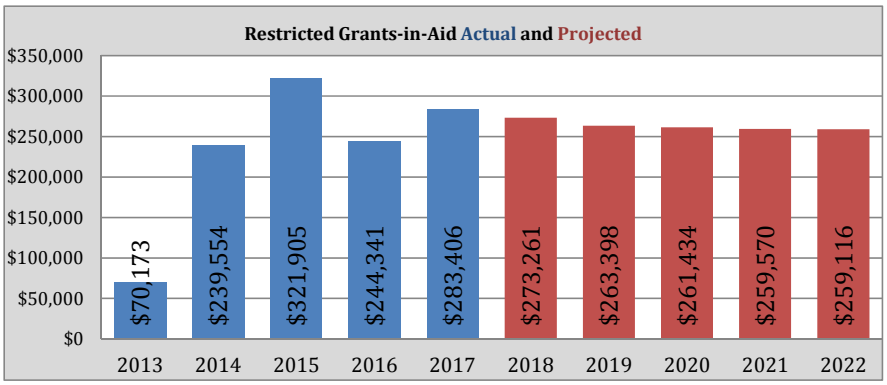


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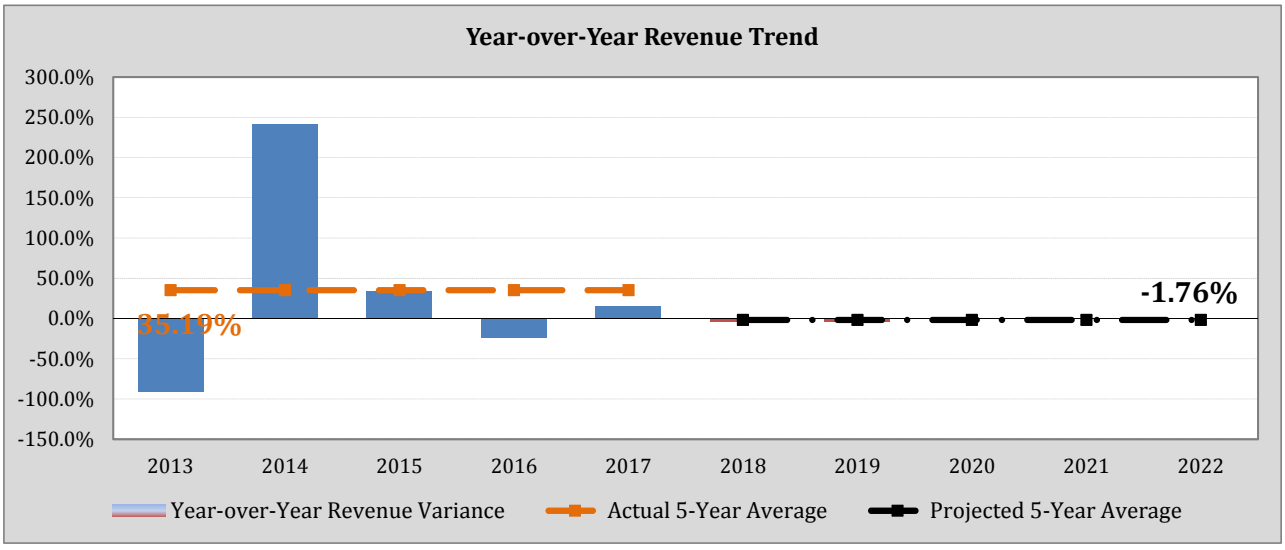
1.040 & 1.045 - Restricted Grants-in-Aid

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





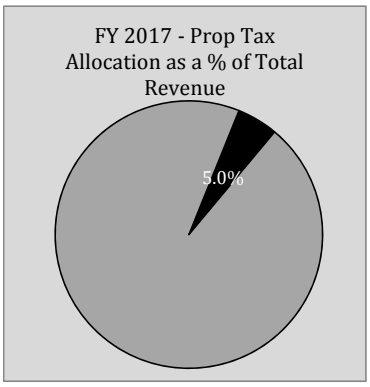
Restricted Grants-in-Aid includes state funding for both Career and Technical Education and Economically Disadvantaged Aid. The state has established guidelines for what specifically these dollars can be used for. The District is expecting about $111,000 in Career and Technical Education Funding and $136,000 in economically disadvantaged funding. This would represent a combined decrease of nearly 3.5% in fiscal year 2018. This decrease is a direct result of decreased economic disadvantage funding as a result of decreased enrollment. Catastrophic Aide caused this line item to experience a spike in 2015 due to higher program costs relating to special education. As a part of the previous state biennium budget, additional money was allocated to the Catastrophic Aide pool to help all districts. Although the District received $144,200 in aide for 2015, only $30,475 and $26,601 were received in fiscal years 2016 and 2017, respectively. For forecasting purposes, the District is only anticipating approximately $26,000 annually.

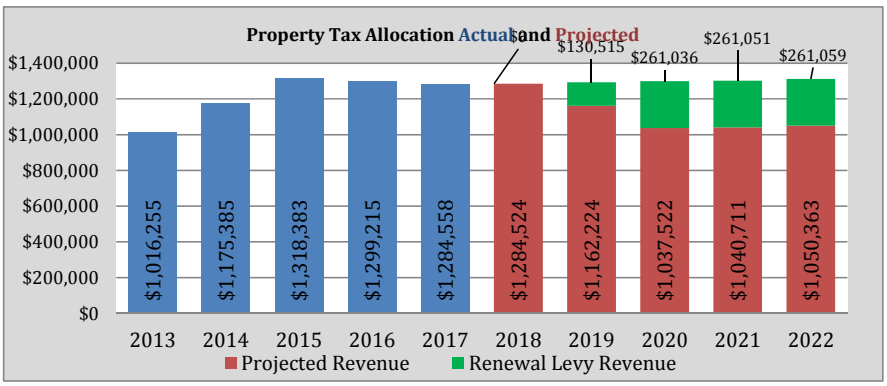


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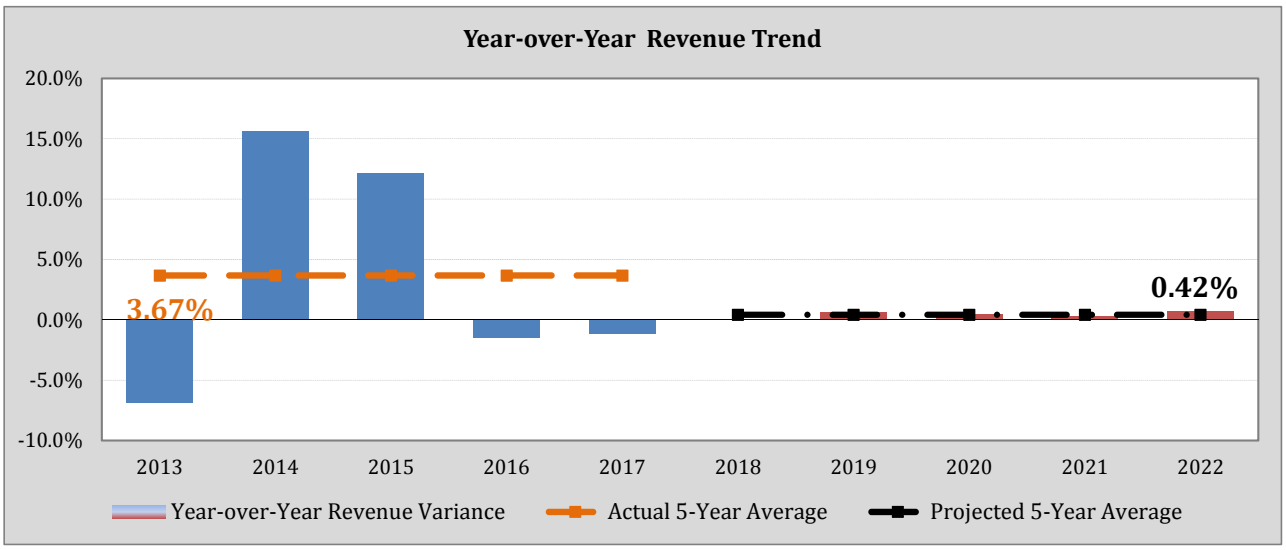
1.050 - Property Tax Allocation

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





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. The last biennium budget made some very drastic changes to these allocations moving forward. New levies passed after November 2013 will not be eligible for the rollback exemption. Fortunately, the District's emergency levy will not be impacted by this when it is up for renewal in 2017 as long as it is a renewal of the same levy with no modifications. Also the Homestead Exemption was modified for anyone not already earning it to include a new income threshold. The change will greatly decrease the number of individuals eligible in the future. Historically, this line item mirrors line 1.010 in growth or decline because it is a function of property tax collections.

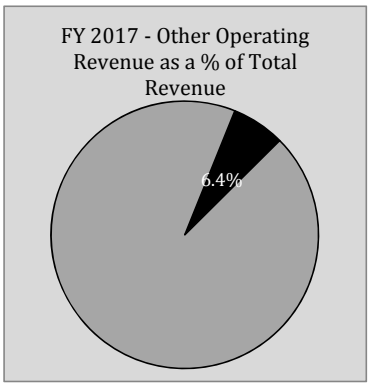


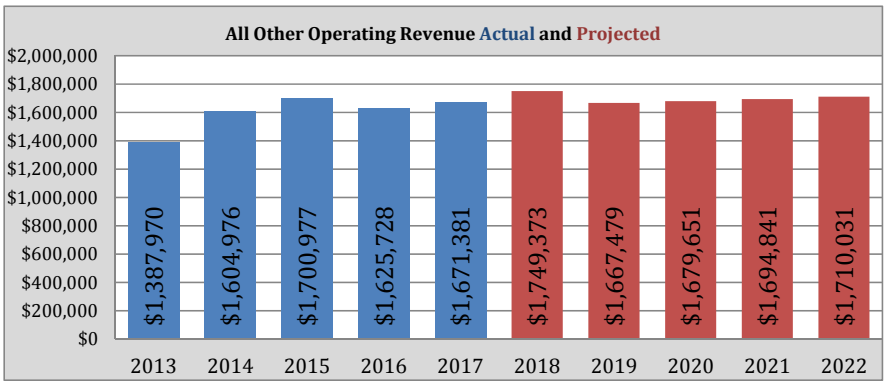
**Projected % trends include renewal levies*

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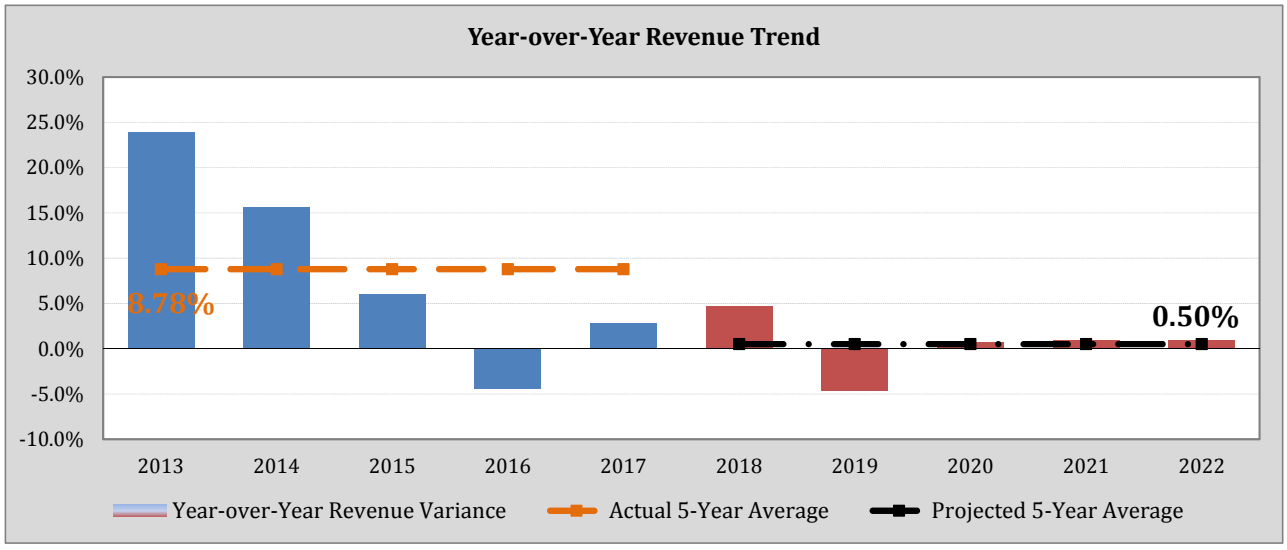
1.060 - All Other Operating Revenues

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





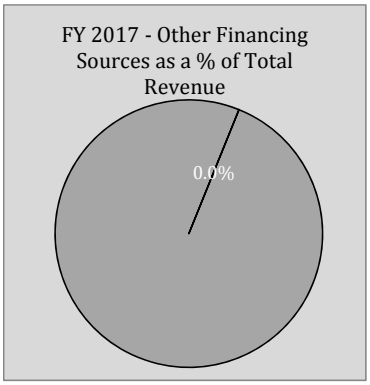
The largest revenue item classified here is funding for open enrollment students. In fiscal year 2017, the District received $896,059 for open enrollment. That figure is anticipated to be approximately $907,000 in 2018. The forecast is assuming that the level of open enrolled students will remain consistent. 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 $92,253 in 2017 and is kept at $90,000 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. This reimbursement was much higher than normal in 2015 due the fact that the District received a large reimbursement for back claims in the amount of nearly $144,000. Annual projected revenues over the forecast period are $115,000 each year for Medicaid reimbursements. Investment earnings account for approximately $85,000 of this total for 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.

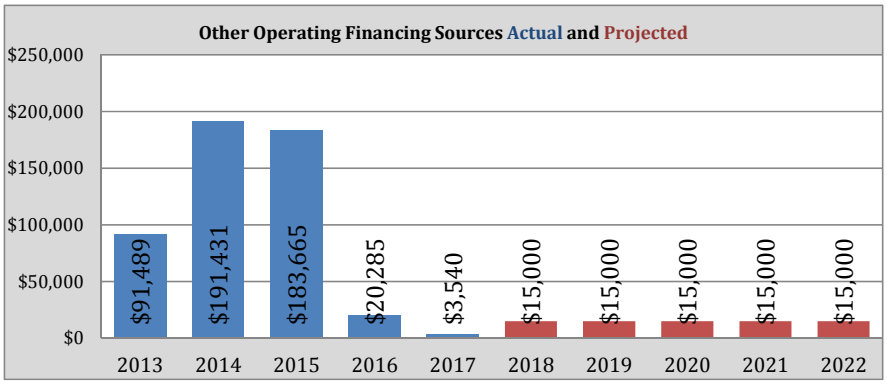


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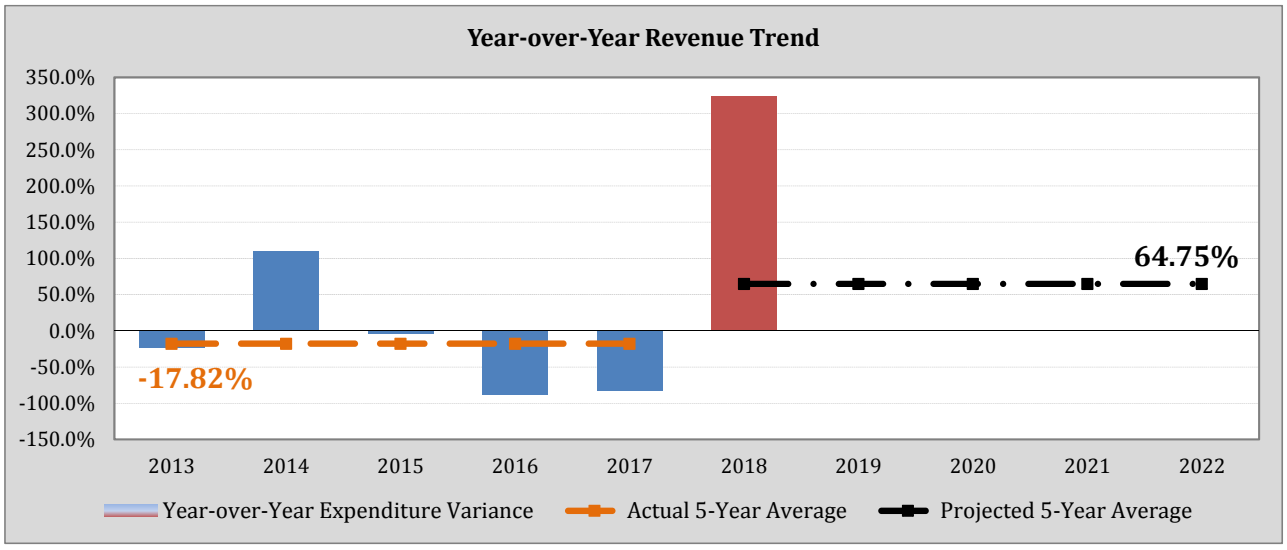
2.070 - Total Other Financing Sources

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.





A transfer-in was made in 2015. This transfer was used for the debt service of a House Bill 264 Energy Conservation Project, which was completely paid off at the end of 2015, so the transfer will no longer be needed. Also in 2015, an advance-in of $125,000 was made. This advance in was the repayment of a short term loan given to the food service fund from the general fund to meet the food service programs liquidity needs. The food service department underwent a restructuring in 2014, which should allow it to become profitable again and allow it to rebuild its liquidity over time. $15,000 is projected each year from fiscal year 2018 and beyond for various refunds to be received by the District.

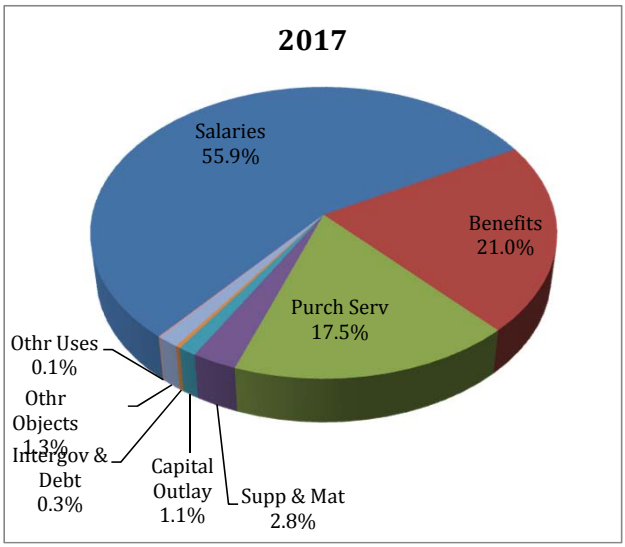


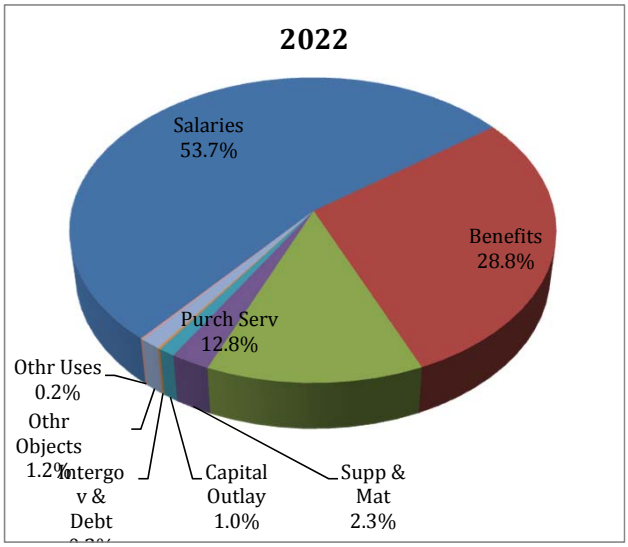
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Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	5-Year Avg. Annual Change
Expenditures:							
3.010-Salaries	-1.96%	3.48%	2.19%	2.38%	2.28%	2.19%	2.50%
3.020-Benefits	-2.30%	7.36%	21.47%	7.22%	7.29%	7.42%	10.15%
3.030-Purchased Services	13.12%	-15.21%	-1.12%	1.18%	0.66%	1.00%	-2.70%
3.040-Supplies & Materials	3.45%	3.36%	-10.35%	1.77%	1.74%	1.71%	-0.36%
3.050-Capital Outlay	494.59%	136.53%	-58.96%	1.82%	1.79%	1.75%	16.59%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	12.63%	65.81%	39.69%	0.00%	-21.59%	-63.77%	4.03%
4.300-Other Objects	1.81%	9.98%	-3.75%	4.34%	-3.07%	0.21%	1.54%
4.500-Total Expenditures	0.04%	2.78%	4.11%	3.45%	3.16%	3.14%	3.33%
5.040-Total Other Uses	26.16%	52.78%	0.00%	0.00%	0.00%	0.00%	10.56%
5.050-Total Exp & Other Uses	0.00%	2.85%	4.10%	3.44%	3.16%	3.14%	3.34%

In total, expenditures are projected to increase by $718,866, or 2.85%, in fiscal year 2018. This is due to the net effect of anticipated increases/decreases the District will realize in all expenditure categories. Total expenditures are forecasted to increase each of the remaining forecasted years. As represented below, salaries and benefits accounted for 76.9% of total expenditures in fiscal year 2017 while purchased services, supplies, capital outlay, and other expenditures comprised the remaining 23.1%. Further information on each expenditure category is provided on the next several pages.

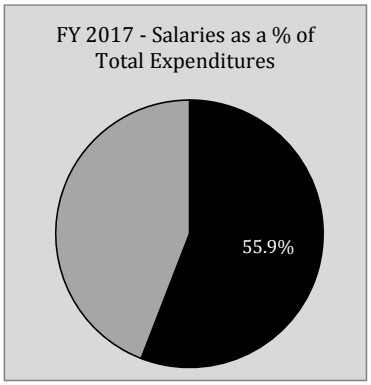


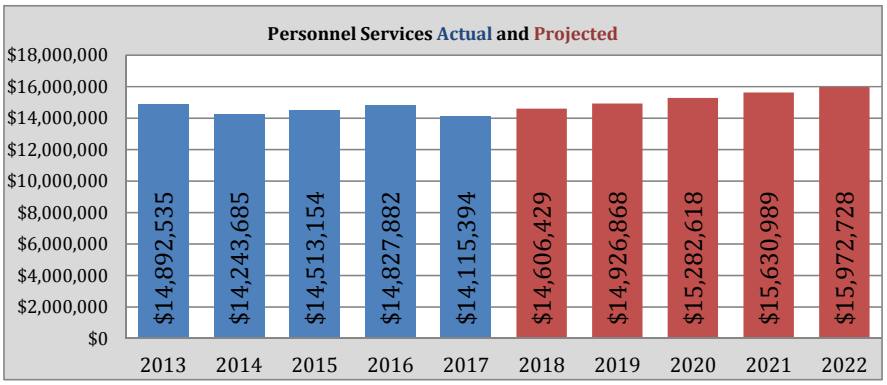


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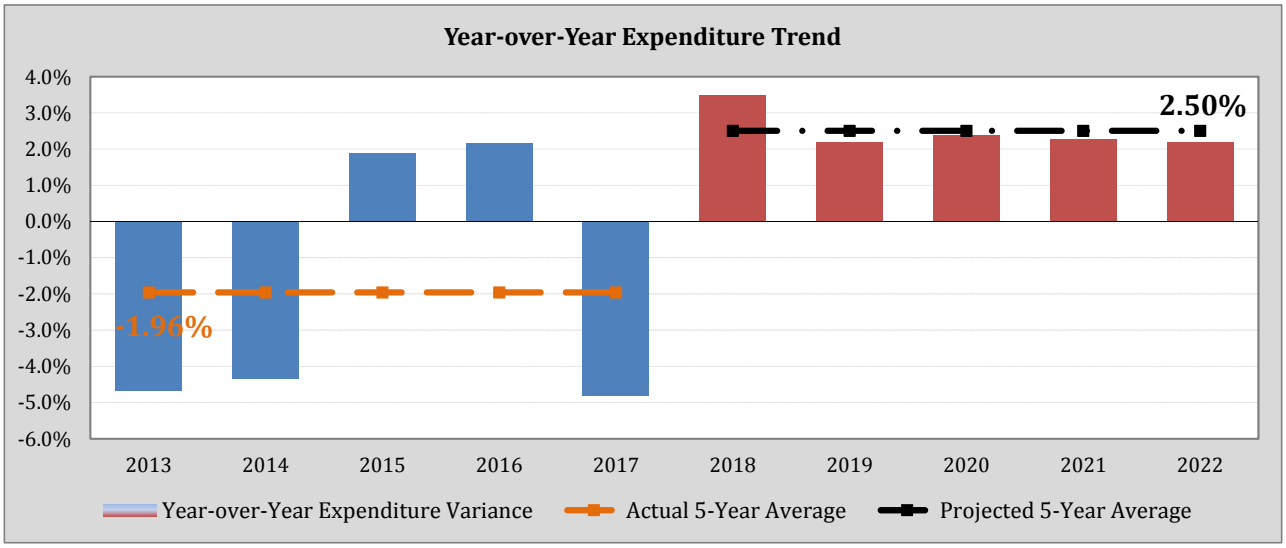
3.010 - Personnel Services

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





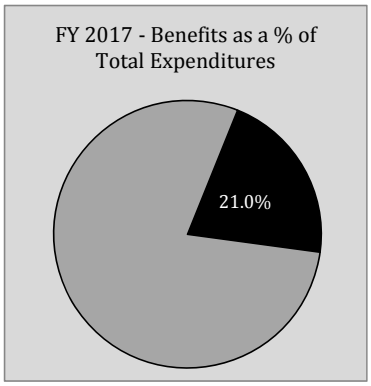
Personnel Service expenditures include employee salaries and stipends. Since the District is primarily a service agency, this is the largest expenditure category. The chart above shows a decline in both fiscal year 2013 and also fiscal year 2014. These decreases are results of reduced staffing levels. Fiscal year 2017 once again showed a reduction partially due to a net reduction of 4 certified positions; however, the decrease is primarily a result of the reduced net wages during the teacher strike in November 2016. 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. These increases are incorporated into the forecasted amounts for the respective fiscal years. Forecasted base increases of 1.5% and steps are also forecasted for fiscal years 2020, 2021 and 2022. 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. It is important to note that for fiscal year 2018, several positions were reduced through attrition and that the personnel service expenditures are forecasted assuming the fiscal year 2018 staffing levels throughout the remaining forecast period. For fiscal year 2018, certified substitutes are no longer paid by the District through payroll. That cost is now represented in purchased services.

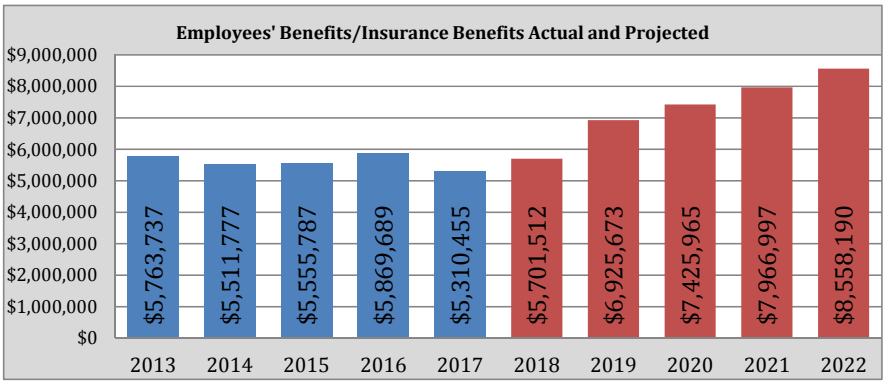


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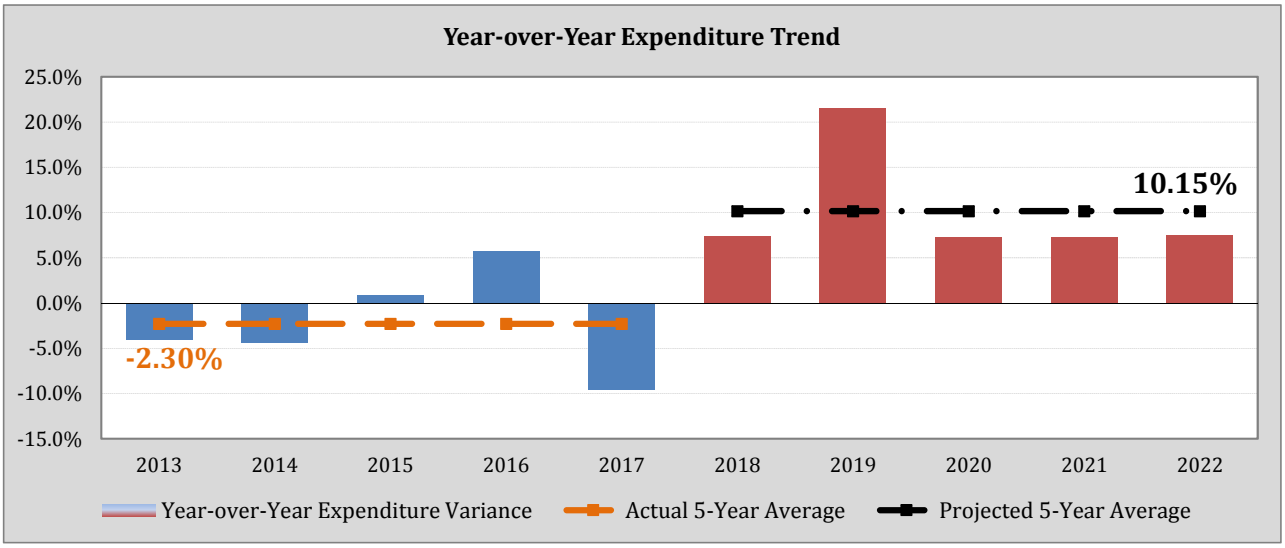
3.020 - Employees' Benefits

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





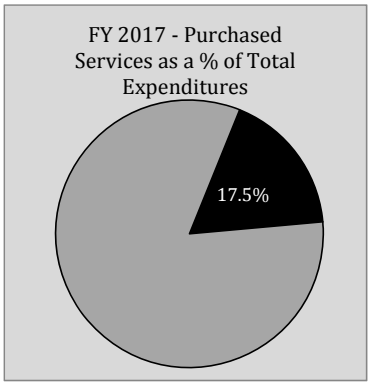
The District's second highest expenditure is Employees' Retirement/Insurance Benefits which includes Board-paid pension benefits, medicare, and worker's compensation, as well as the Board-paid share of Medical, Prescription, Dental, Vision and Life insurances. Pension, medicare, and workers' compensation 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 year 2017, the premium increase amounted to 2.5 percent which is an extremely modest increase. For fiscal year 2018, the premium increase is 5.4 percent. 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 2016, the reserves were healthy, and the District was awarded three premium holidays to take advantage of in fiscal year 2017. Two premium holidays are approved for fiscal year 2017 to be taken in fiscal year 2018 and are incorporated into the forecast. These 2 premium holidays account for approximately $700,000 and are accounted for in the forecasted expenditures for fiscal year 2018. Due to the fact that these 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. Unemployment costs are also included in this line item. Fortunately, unemployment costs have been minimal for the District.

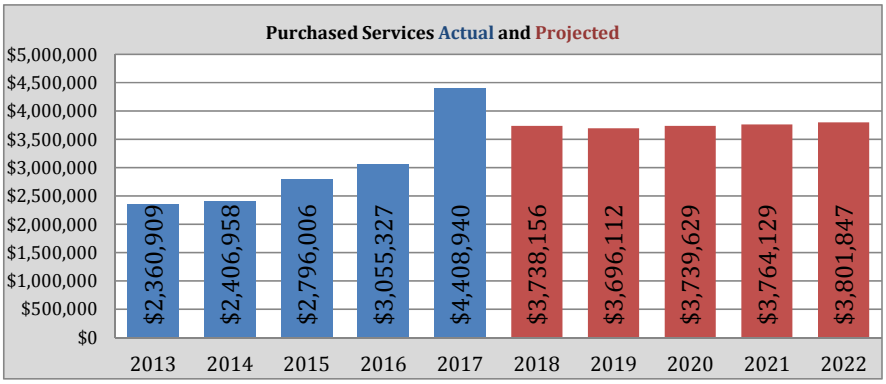


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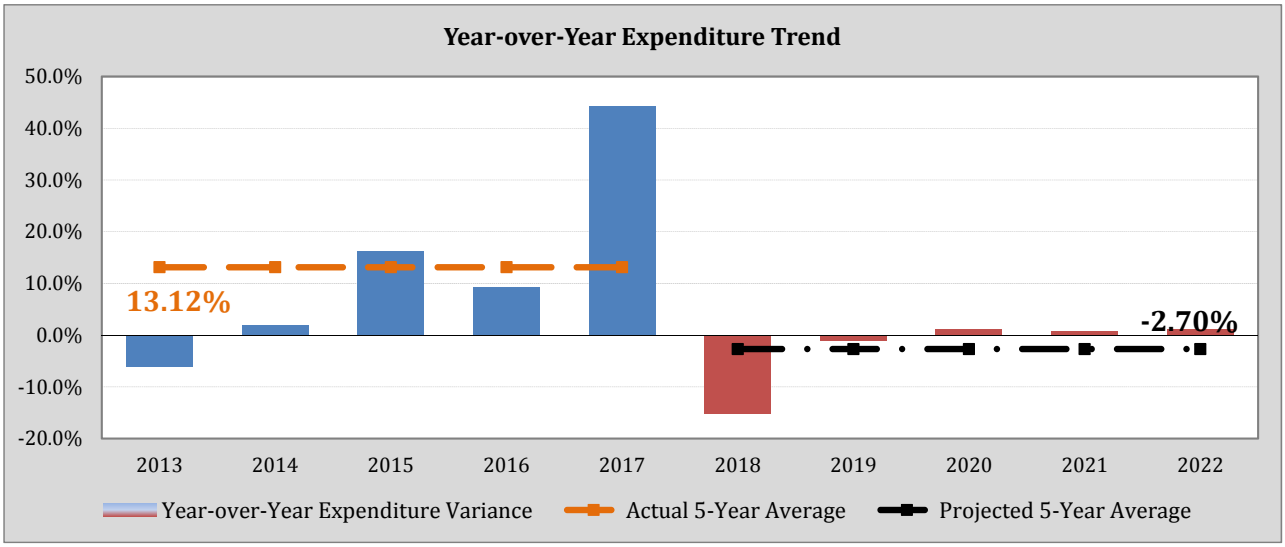
3.030 - Purchased Services

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.





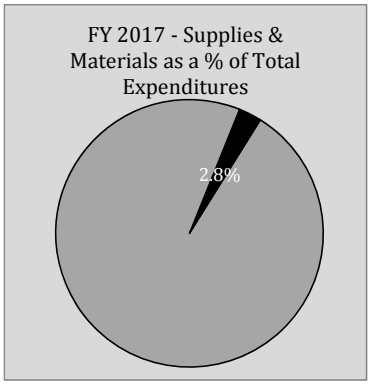
Purchased Services include utilities, tuition, property insurance, health services, repair services, and other contracted services. In addition to these, the State deductions for Community Schools and Open Enrolled Out students are included here. The District is expected to realize a decrease in total utility costs in fiscal year 2018 partially due to participating in the recently rebid electric service program throught the Stark County Coucil of Governments. 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. Regarding excess costs and special education tuition costs alone, the District saw an increase of approximately $185,000 for fiscal year 2017 and is anticipating another $55,000 added to these costs in fiscal year 2018. 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 $120,000 for fiscal year 2018 and beyond. The large increase in purchased services in fiscal year 2017 is in large part due to the teacher strike. Fiscal year 2018 levels are still expected to be higher that 2016 partially due to the District paying for all teaching substitutes through a service contract with the Stark County ESC instead of through payroll. This amount is estimated at approximately $180,000 for fiscal year 2018.

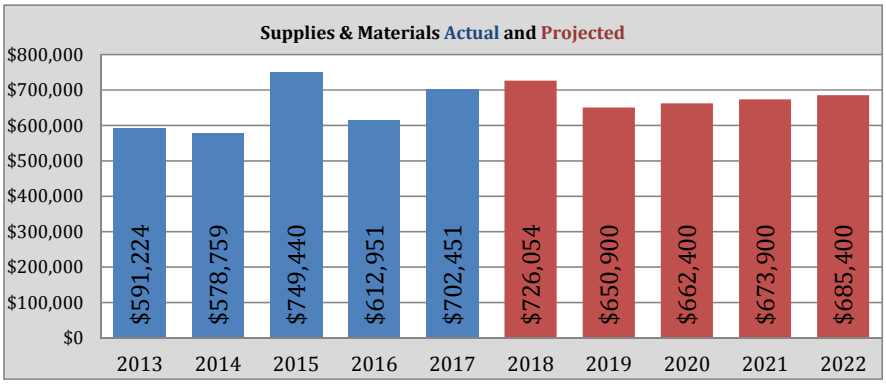


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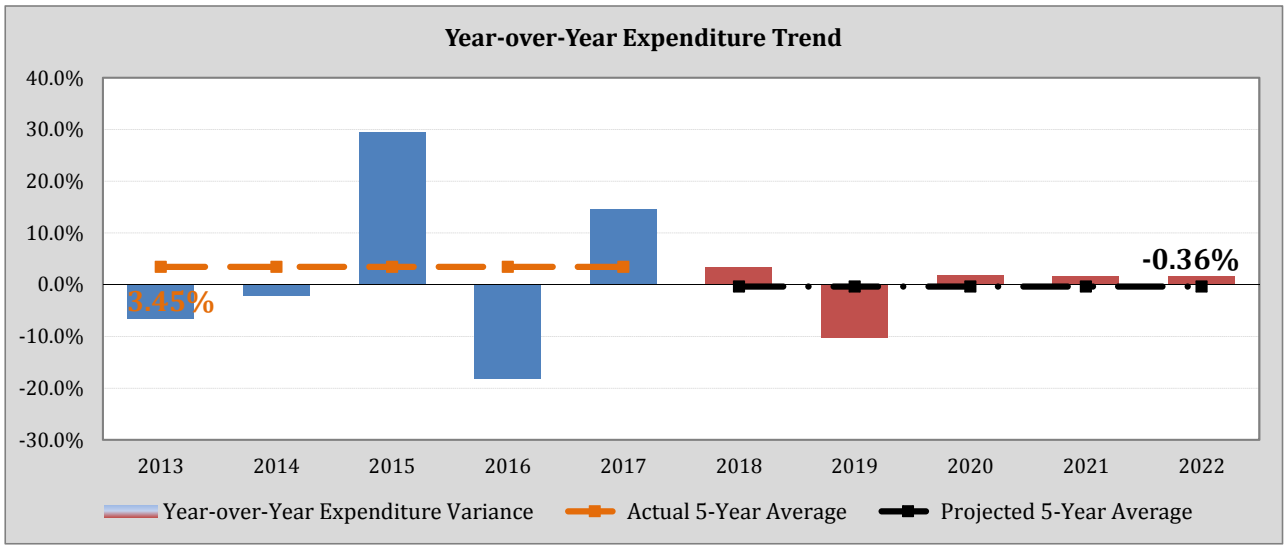
3.040 - Supplies & Materials

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





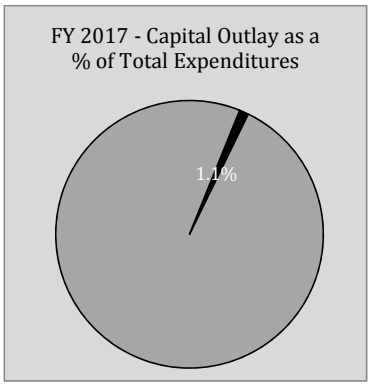
Supplies and Materials include not only instructional supplies, textbooks, and office supplies but also custodial supplies, transportation supplies, and bus fuel. The District is budgeting approximately $80,000 annually for textbooks/ curriculum throughout the forecast period. The favorable fuel market reduced the fuel costs for the District in fiscal year 2016 coming in at $104,699. This was a decrease of $45,855 from fiscal year 2015 when the total cost came in at $150,554. For fiscal year 2017, fuel costs totaled $118,261. Increases to fuel costs are anticipated and forecasted for future years.

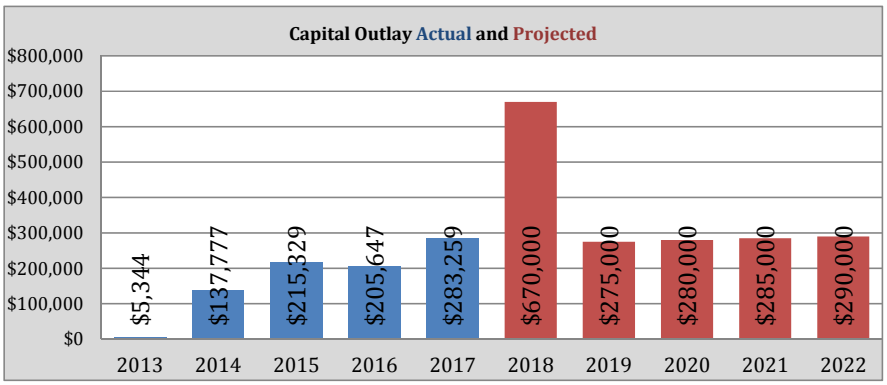


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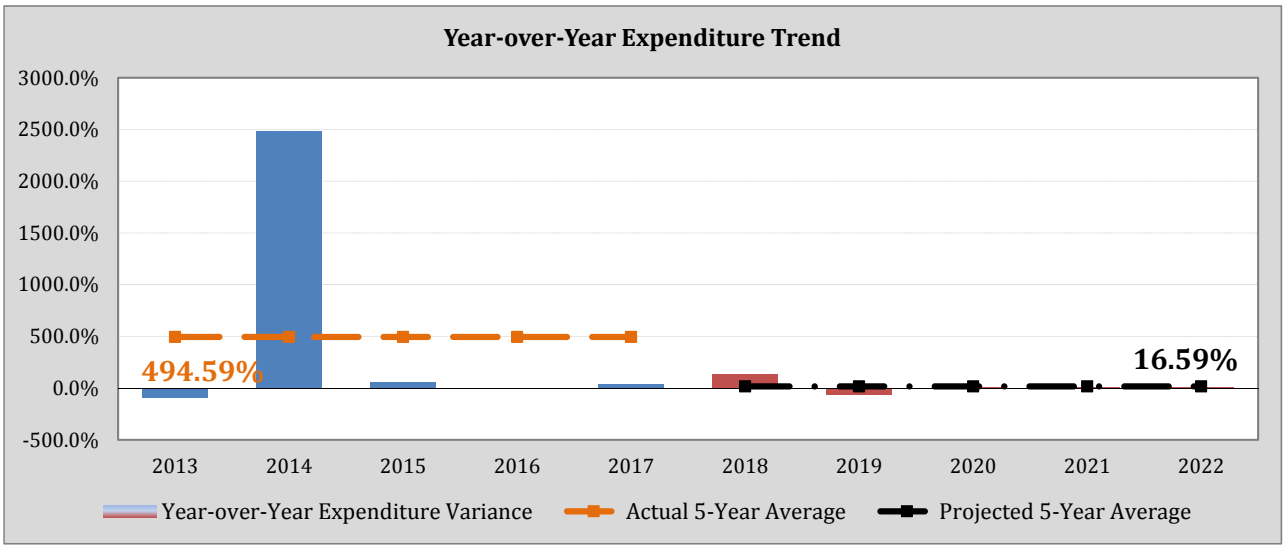
3.050 - Capital Outlay

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.





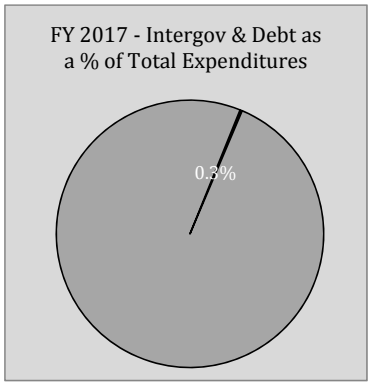
Capital outlay includes building equipment, technology equipment, musical instruments, and buses. The District has begun and plans to continue the one to one technology initiative. In fiscal year 2016, 5th and 6th grades began the initiative. In fiscal year 2017, it was expanded to 4th and 7th grades, and in fiscal year 2018, it was expanded to all high school students. The District plans to address some capital needs during fiscal year 2018 which is reflected in the increase of this line item for this year. One of these includes 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 is an energy conservation project which is anticipated to save the District over $60,000 in utility and material costs annually upon the completion of the project. Additionally, the District will look at purchasing additional security equipment (i.e. security cameras, radios and AEDs). The forecast includes the purchase of one school bus in each year for fiscal years 2019, 2020, 2021 and 2022.

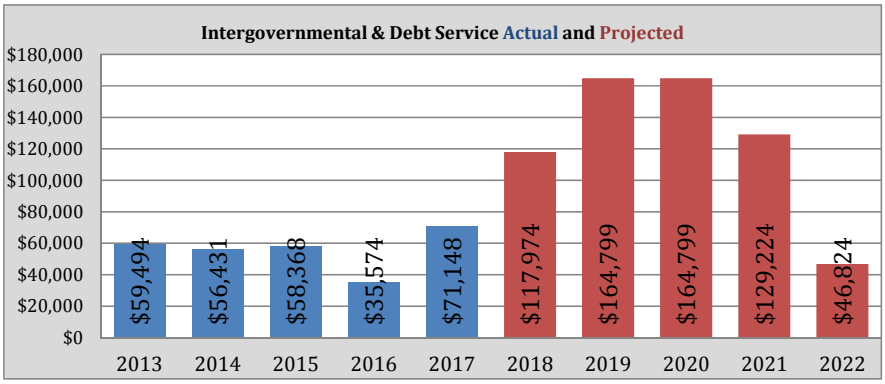


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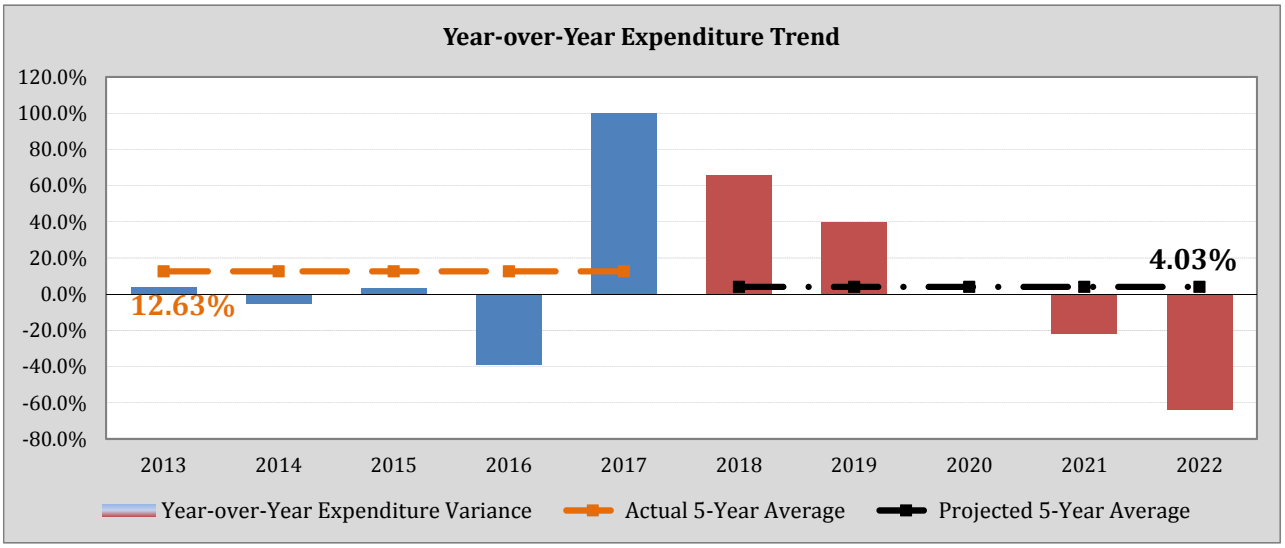
3.060-4.060 - Intergovernmental & Debt

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.





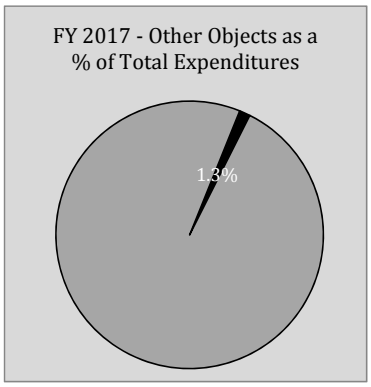
The District purchased four buses through a lease-purchase agreement in the summer of 2015. The District is purchasing four additional buses through a lease-purchase agreement in October 2017. The amounts included as principal and interest correlate specifically to the payments required per those agreement.

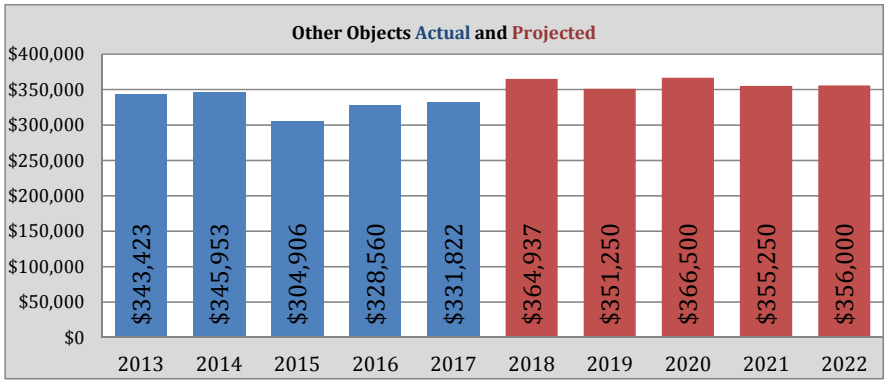


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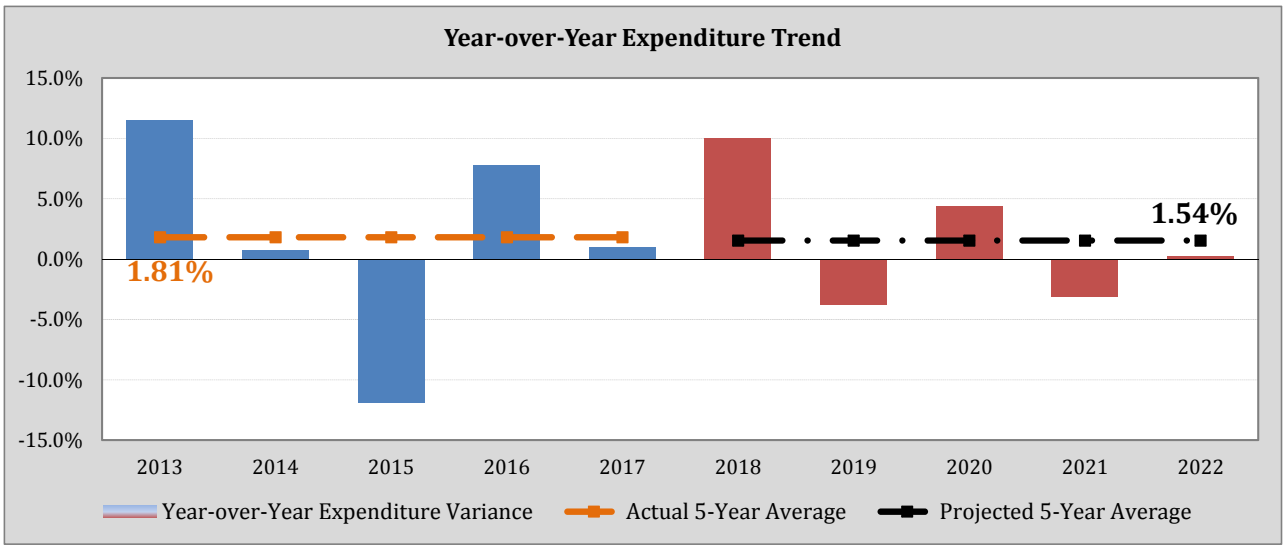
4.300 - Other Objects

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





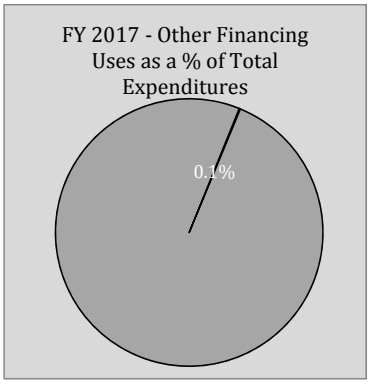
The Other Object expenditure category includes audit fees, liability insurance, ESC deductions, and County Auditor/Treasurer fees. These costs are forecasted to remain fairly consistent through the forecast period.

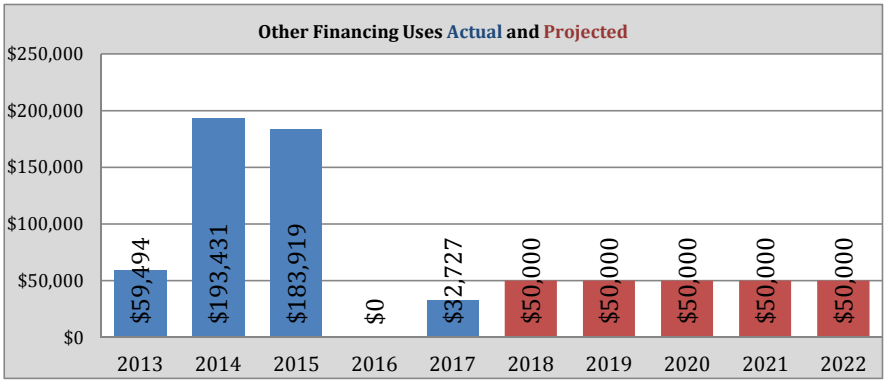


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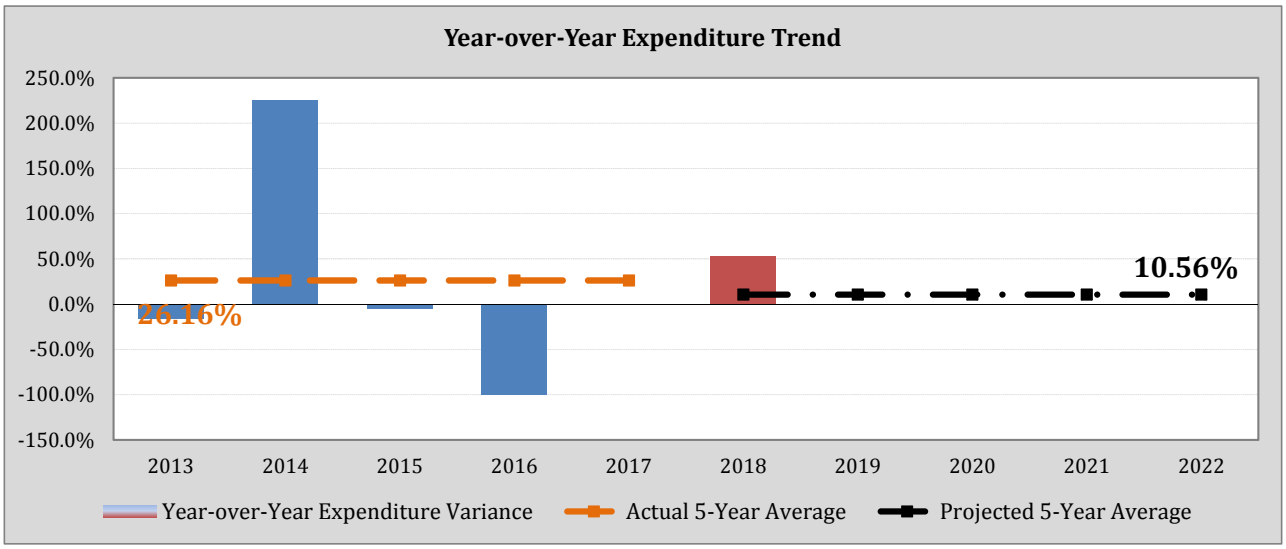
5.040 - Total Other Financing Uses

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





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



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Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers
F.Y. 2018

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2018 Prepared on: 5/15/2017	Current Forecast Amounts For F.Y. 2018 Prepared on: 10/23/2017	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
	Revenue:				
1	Real Estate & Property Allocation	$8,962,045	$9,153,649	$191,604	2.1%
2	Public Utility Personal Property	$713,781	$713,772	-$8	0.0%
3	Income Tax	$0	$0	$0	n/a
4	State Foundation Restricted & Unrestricted	$14,431,747	$14,592,563	$160,815	1.1%
5	Other Revenue	$1,584,730	$1,749,373	$164,643	10.4%
6	Other Non Operating Revenue	$15,000	$15,000	$0	0.0%
7	Total Revenue	$25,707,303	$26,224,357	$517,054	2.0%
	Expenditures:				
8	Salaries	$15,110,299	$14,606,429	-$503,870	-3.3%
9	Fringe Benefits	$5,759,392	$5,701,512	-$57,880	-1.0%
10	Purchased Services	$3,550,744	$3,738,156	$187,412	5.3%
11	Supplies, Debt, Capital Outlay & Other	$1,418,503	$1,878,965	$460,462	32.5%
12	Other Non Operating Expenditures	$0	$50,000	$50,000	n/a
13	Total Expenditures	$25,838,938	$25,975,062	$136,124	0.5%
14	Revenue Over/(Under) Expenditures	-$131,635	$249,295	$380,930	1.5%*
15	Ending Cash Balance	$4,683,598	$5,263,158	$579,560	2.2%*

*Percentage expressed in terms of total expenditures

The chart above compares the fiscal year 2018 projections between the May 2017 forecast and the current October 2017 forecast. Fiscal year 2018 total revenue estimates are showing a variation of 2.0%. The main difference is related to increases in tax, foundation, and other revenue. In total, expenditure estimates for fiscal year 2018 between May 2017 and October 2017 show a variation of 0.5% which is a net affect of lower personnel costs and an increase in purchased services and capital outlay expenditures.

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Louisville City School District - Stark County

	Actual	FORECASTED				
Fiscal Year:	2017	2018	2019	2020	2021	2022
Revenue:						
1.010 - General Property Tax (Real Estate)	7,699,326	7,869,125	7,098,508	6,366,783	6,384,353	6,437,086
1.020 - Public Utility Personal Property	704,747	713,772	684,865	655,980	662,540	669,161
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	14,278,460	14,319,301	14,365,752	14,365,835	14,365,868	14,365,876
1.040 - Restricted Grants-in-Aid	283,406	273,261	263,398	261,434	259,570	259,116
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,284,558	1,284,524	1,162,224	1,037,522	1,040,711	1,050,363
1.060 - All Other Operating Revenues	1,671,381	1,749,373	1,667,479	1,679,651	1,694,841	1,710,031
1.070 - Total Revenue	25,921,878	26,209,357	25,242,225	24,367,206	24,407,883	24,491,633
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	-	-	-	-	-	-
2.060 - All Other Financing Sources	3,540	15,000	15,000	15,000	15,000	15,000
2.070 - Total Other Financing Sources	3,540	15,000	15,000	15,000	15,000	15,000
2.080 - Total Rev & Other Sources	25,925,418	26,224,357	25,257,225	24,382,206	24,422,883	24,506,633
Expenditures:						
3.010 - Personnel Services	14,115,394	14,606,429	14,926,868	15,282,618	15,630,989	15,972,728
3.020 - Employee Benefits	5,310,455	5,701,512	6,925,673	7,425,965	7,966,997	8,558,190
3.030 - Purchased Services	4,408,940	3,738,156	3,696,112	3,739,629	3,764,129	3,801,847
3.040 - Supplies and Materials	702,451	726,054	650,900	662,400	673,900	685,400
3.050 - Capital Outlay	283,259	670,000	275,000	280,000	285,000	290,000
3.060 - Intergovernmental	-	-	-	-	-	-
Debt Service:						
4.010 - Principal-All Years	62,498	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-
4.055 - Principal - Other	-	105,888	151,256	155,938	125,189	46,116
4.060 - Interest and Fiscal Charges	8,650	12,086	13,543	8,861	4,035	708
4.300 - Other Objects	331,822	364,937	351,250	366,500	355,250	356,000
4.500 - Total Expenditures	25,223,469	25,925,062	26,990,602	27,921,911	28,805,489	29,710,989
Other Financing Uses						
5.010 - Operating Transfers-Out	32,727	50,000	50,000	50,000	50,000	50,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	32,727	50,000	50,000	50,000	50,000	50,000
5.050 - Total Exp and Other Financing Uses	25,256,196	25,975,062	27,040,602	27,971,911	28,855,489	29,760,989
6.010 - Excess of Rev Over/(Under) Exp	669,222	249,295	(1,783,377)	(3,589,705)	(4,432,606)	(5,254,356)
7.010 - Cash Balance July 1 (No Levies)	4,344,641	5,013,863	5,263,158	3,479,781	(109,924)	(4,542,530)
7.020 - Cash Balance June 30 (No Levies)	5,013,863	5,263,158	3,479,781	(109,924)	(4,542,530)	(9,796,887)
8.010 - Estimated Encumbrances June 30	453,298	-	-	-	-	-
9.080 - Reservations Subtotal	66,371	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	4,494,194	5,263,158	3,479,781	(109,924)	(4,542,530)	(9,796,887)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Income & Property Tax-Renewal		-	930,182	1,860,374	1,860,392	1,860,391
11.030 - Cumulative Balance of Levies	-	-	930,182	2,790,556	4,650,948	6,511,339
12.010 - Fund Bal June 30 for Cert of Obligations	4,494,194	5,263,158	4,409,963	2,680,632	108,418	(3,285,548)
Revenue from New Levies						
13.010 & 13.020 - Income & Property Tax-New		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	4,494,194	5,263,158	4,409,963	2,680,632	108,418	(3,285,548)

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