

LEBANON CITY SCHOOL DISTRICT - - WARREN COUNTY

# **Five Year Forecast Financial Report**

November, 2019

*Eric Sotzing, Treasurer*

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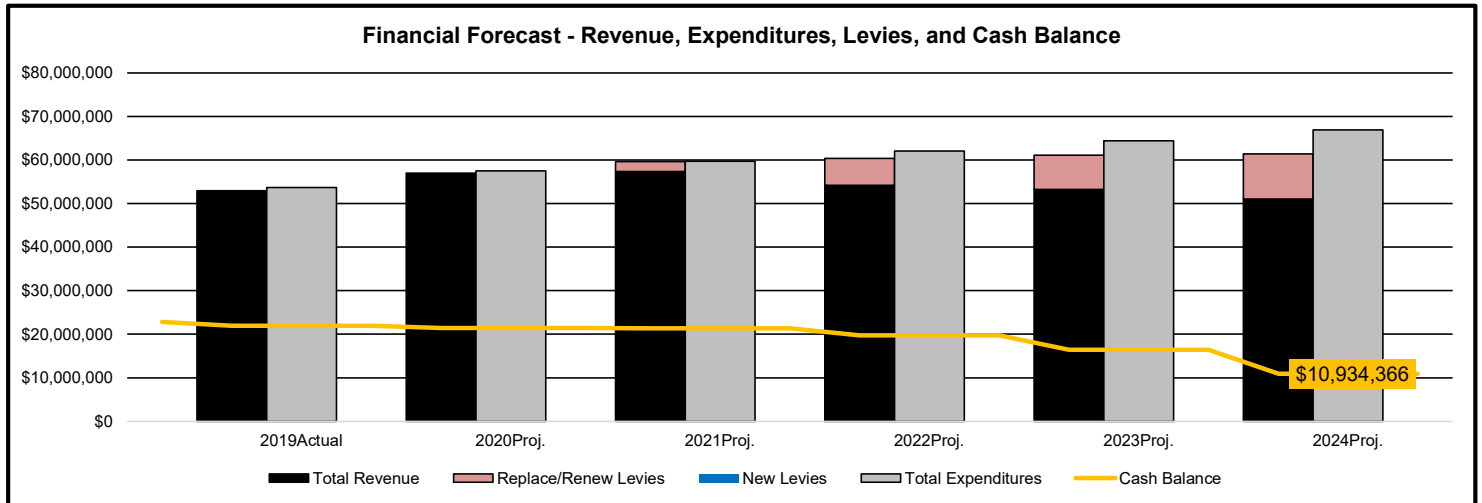
### Forecast Purpose/Objectives

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.

### Forecast Summary



### LEBANON CITY SCHOOL DISTRICT - - WARREN COUNTY

Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	22,798,036	22,234,206	22,136,729	20,524,125	17,241,808
+ Revenue	56,940,683	57,332,956	54,160,177	53,229,899	51,015,200
+ Proposed Renew/Replacement Levies	-	2,300,923	6,252,736	7,903,614	10,397,650
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(57,504,513)	(59,731,356)	(62,025,516)	(64,415,830)	(66,920,291)
= Revenue Surplus or Deficit	(563,830)	(97,477)	(1,612,603)	(3,282,318)	(5,507,441)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	22,234,206	22,136,729	20,524,125	17,241,808	11,734,366

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(563,830)	(2,398,400)	(7,865,339)	(11,185,931)	(15,905,091)
Ending Balance w/o Levies	22,234,206	19,835,805	11,970,466	784,535	(15,120,557)

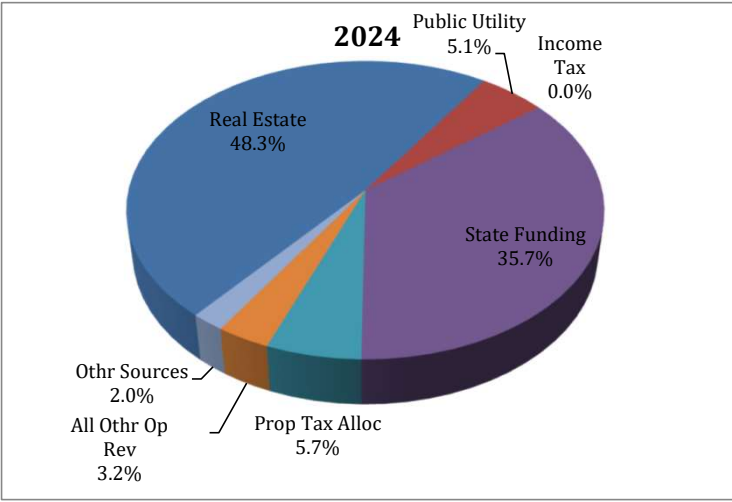
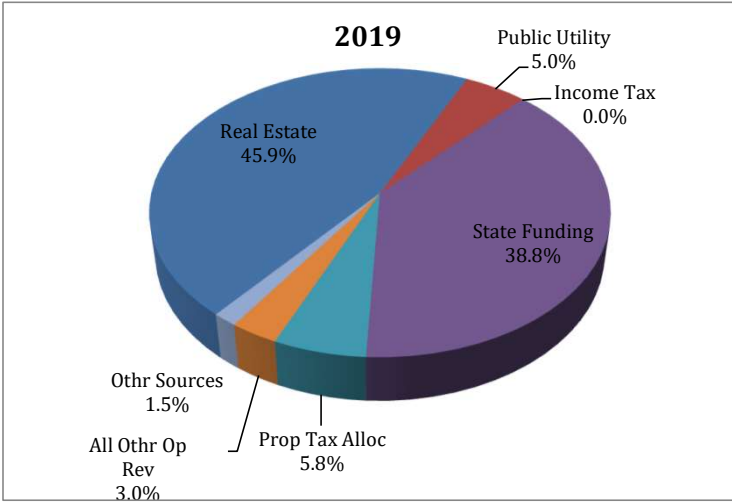
This report outlines the status of the District's finances for the future and conforms to the reporting requirements established by the Ohio Department of Education and the Ohio Auditor of State.

The forecast will be reviewed and adopted by the Community Audit Advisory Committee (CAAC) and presented to the Board of Education for approval. It is important to note that the forecast is an estimate based upon current financial information, logical estimates and assumptions. The data is provided in summary form and includes the major operational funds of the District. Programs and services provided through state and federal grants are not included in this report.

This forecast is designed to outline in broad terms the general financial direction of the District. It is intended to be a general guide to indicate trends or patterns over the next five years. The forecast, as prepared, includes only those decisions or actions specifically taken by the School District in terms of staffing levels, building utilization, and educational program offerings. As with any financial projection, estimates tend to be less accurate the further into the future they are projected.

The CAAC committee reviews the forecast on a periodic basis to determine if material changes are needed to maintain the financial stability of the District. If revenues or expenditures are expected to change by more than 5% from the original projection, the Committee will review and revise the forecast as necessary and present these changes to the Board of Education.

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



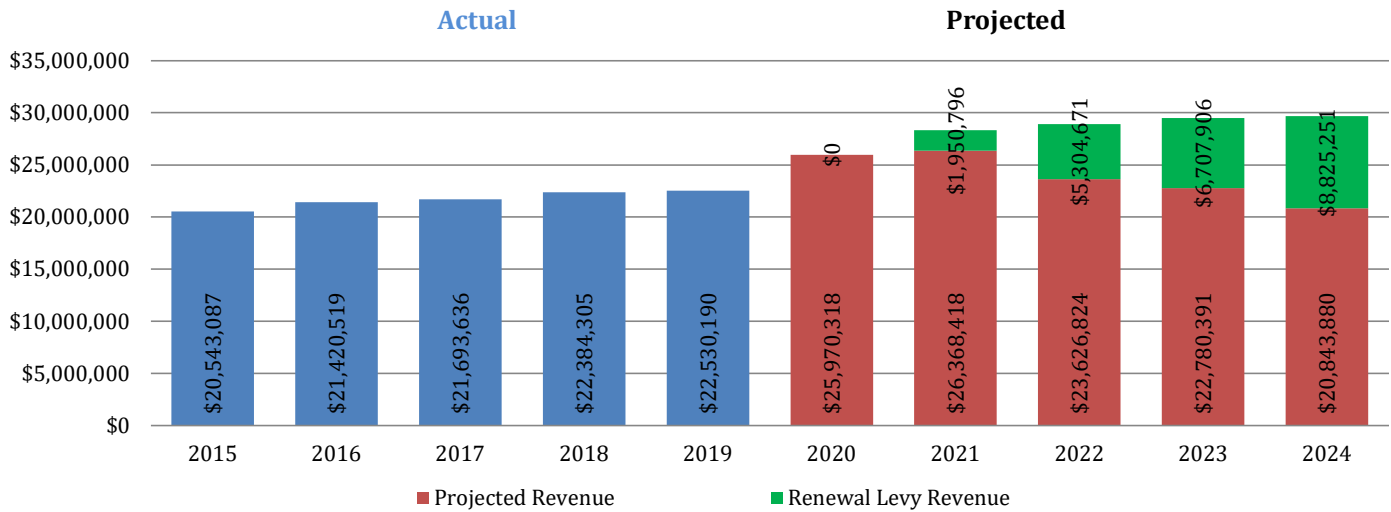
*\*Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
<b>Revenue:</b>							
1.010-Real Estate	2.13%	15.27%	9.04%	2.16%	1.92%	0.61%	5.80%
1.020-Public Utility	3.50%	1.42%	8.09%	1.25%	1.08%	0.71%	2.51%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	3.49%	-0.11%	0.01%	0.00%	0.00%	0.00%	-0.02%
1.040-Restricted Aid	42.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-1.14%	4.57%	1.87%	2.28%	2.24%	0.58%	2.31%
1.060-All Other Operating	8.58%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>1.070-Total Revenue</b>	<b>2.68%</b>	<b>7.01%</b>	<b>4.83%</b>	<b>1.33%</b>	<b>1.22%</b>	<b>0.47%</b>	<b>2.97%</b>
2.070-Total Other Sources	38.29%	42.04%	0.00%	0.00%	0.00%	0.00%	8.41%
2.080-Total w/Other Srcs	2.16%	7.58%	4.73%	1.31%	1.19%	0.46%	3.05%

Total revenues for the district have increased due the passage of a new levy generating \$5 million annually in 2019 and first collected in the 2020 calendar year. Revenues are expected to remain relatively flat over the remainder of the forecast. It is important to note that the format of this model excludes renewal levies in the real estate revenue calculation and, therefore, shows a reduction in the those values as if the renewal levy was not approved. However, the renewal of these levies are critical to the financial health of the district. It is important to note that the three year operating levy was graciously renewed by voters during the May 2, 2017 election and significantly stabilizes the District's existing property tax revenue stream. However, a five-year emergency levy will need to be renewed in calendar year 2020.

### 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					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	22,530,190	25,970,318	28,319,214	28,931,495	29,488,297	29,669,131
YOY \$ Change	145,885	3,440,128	2,348,896	612,281	556,802	180,834
YOY % Change	0.7%	15.3%	9.0%	2.2%	1.9%	0.6%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	42.6%	45.6%	47.5%	47.9%	48.2%	48.3%

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	950,613,320	109,811,070	27.90	(1.61)	29.37	(0.49)	99.7%
2019	959,080,290	8,466,970	32.77	4.87	34.33	4.96	99.7%
2020	967,637,873	8,557,583	32.66	(0.11)	34.30	(0.03)	99.7%
2021	1,023,130,013	55,492,140	31.99	(0.67)	33.59	(0.71)	99.7%
2022	1,033,080,013	9,950,000	31.87	(0.12)	33.48	(0.10)	99.7%
2023	1,043,030,013	9,950,000	31.76	(0.11)	33.36	(0.13)	99.7%

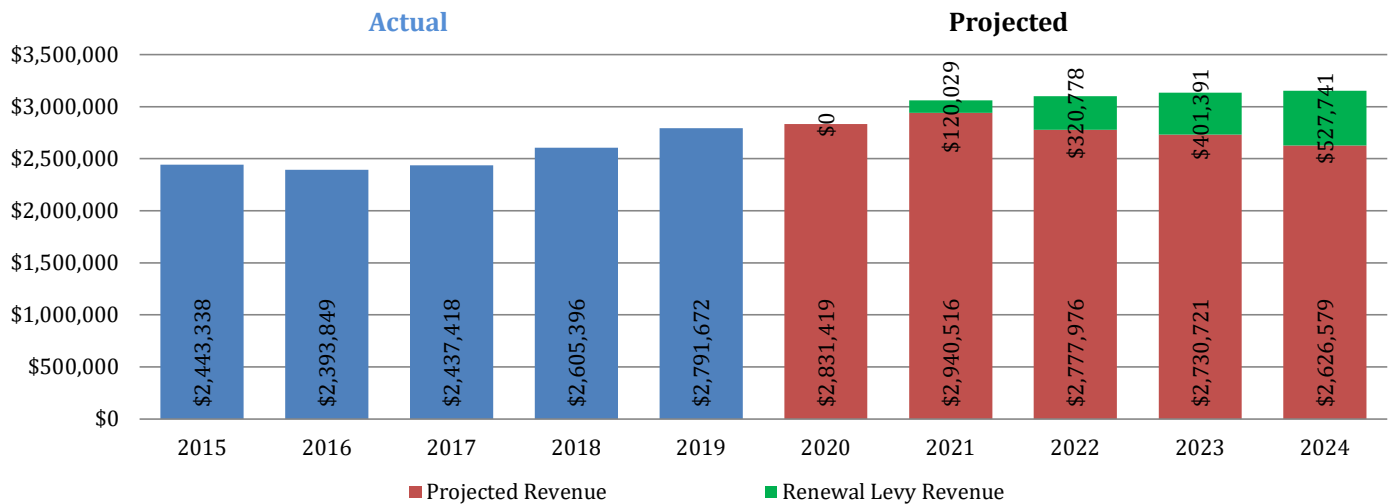
Warren County property values were reappraised in 2018 resulting in an increase of approximately 10% in total property valuation in the district. This valuation change reduced the Class I Effective millage to the 20 mill floor resulting in an increase in local property taxes collected. Class II effective millage will approach the 20 mill floor in the future and future increases in valuation could result in increased property tax revenues in the future. It is expected that both residential and commercial tax revenue will increase modestly in the future due to updated reappraisal values and new construction.

The District has two existing emergency levies and the community graciously approved an additional emergency levy in 2019 generating \$5 million annually for a four-year term.. There is a three-year emergency operating levy generating \$4.2 million annually that was renewed May 2, 2017. There is a five-year emergency levy that was renewed in 2016 generating \$3 million dollars annually. It is critically important to maintain the District's local revenue that these levies are renewed in definitely into the future. It is assumed that the emergency operating levies will be renewed throughout the forecast period which is not only consistent with Ohio Revised Code but also historical evidence both locally and across the state.

\*Projected % trends include renewal levies

### 1.020 - Public Utility Personal Property

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	2,791,672	2,831,419	3,060,545	3,098,754	3,132,112	3,154,320
YOY \$ Change	186,276	39,747	229,126	38,209	33,358	22,208
YOY % Change	7.1%	1.4%	8.1%	1.2%	1.1%	0.7%

Percentage of Total Revenue	5.3%	5.0%	5.1%	5.1%	5.1%	5.1%
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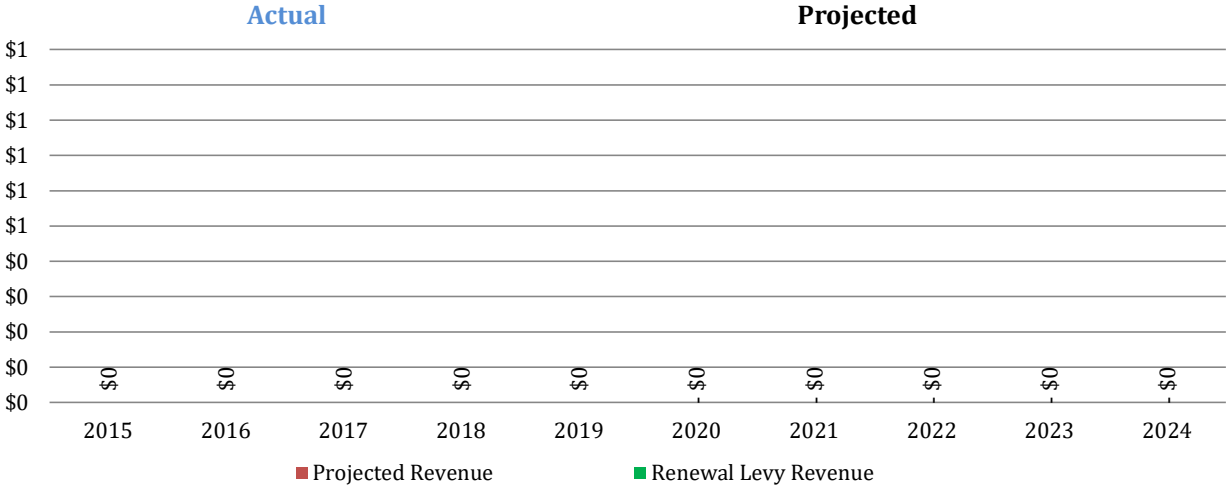
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	52,212,710	3,069,480	53.01	(0.44)	100.0%
2019	52,663,949	451,239	57.88	4.87	100.0%
2020	53,119,700	455,751	57.77	(0.11)	100.0%
2021	54,619,700	1,500,000	57.10	(0.67)	100.0%
2022	55,119,700	500,000	56.98	(0.12)	100.0%
2023	55,619,700	500,000	56.87	(0.11)	100.0%

This forecast reflects the reduction of tangible personal property taxes and only includes the Public Utility Personal Tangible Property tax in Fiscal Year 2011 and beyond. Beginning in Fiscal Year 2011, there was an increase in Public Utility Personal Property tax values due to the Rockies Express pipeline in 2011 and an additional pipeline was completed in 2015 impacting property tax revenue. It is expected that Public Utility Personal Property tax values will remain relatively constant of the remainder of the forecast.

\*Projected % trends include renewal levies

**1.030 - Income Tax**

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



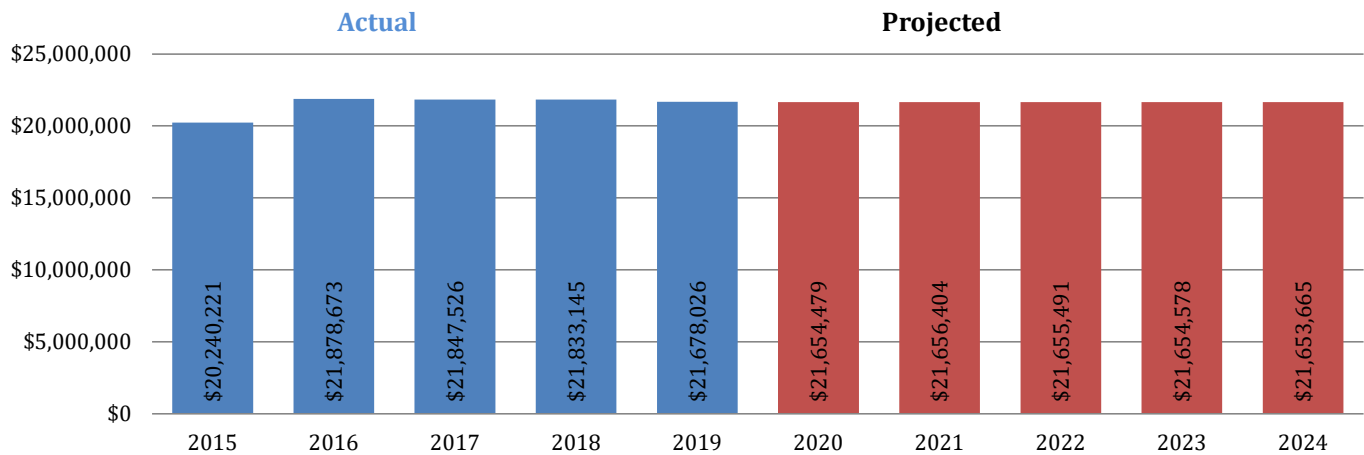
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The District currently receives no revenue from local income tax sources. Although, this option is being explored for future operating levies.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



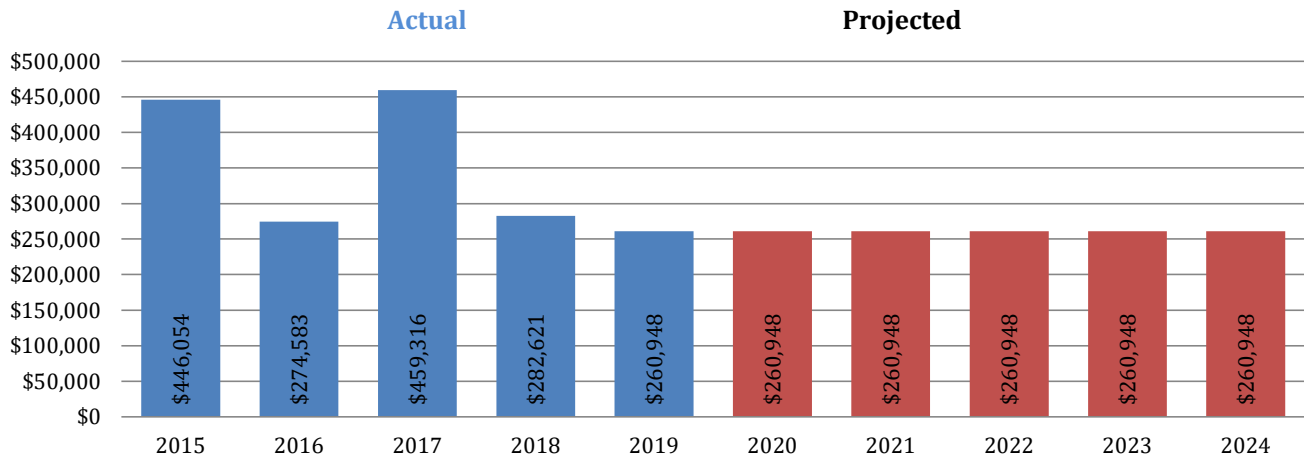
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	21,678,026	21,654,479	21,656,404	21,655,491	21,654,578	21,653,665
YOY \$ Change	(155,119)	(23,547)	1,925	(913)	(913)	(913)
YOY % Change	-0.7%	-0.1%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	41.0%	38.0%	36.3%	35.8%	35.4%	35.3%
Base Aid	20,948,813	20,948,813	20,948,813	20,948,813	20,948,813	20,948,813
Student Wellness Aid		294,858	412,023	410,603	409,190	410,258
Supplemental Aid - Wellness & Growing		5,675	8,513	8,513	8,513	8,513
Enrollment	5,167	5,135	5,118	5,100	5,082	5,065

It is important to note that this forecast is based upon current Ohio law. However, State educational funding has gone through a series of changes over the last several years, was completely revised in 2013 and recently significant changes to the funding formula have been suggested. District unrestricted aid is expected to remain relative stable over the life of the forecast due to the district's relative property valuation as compared to the valuation of other districts in the state, changes in student enrollment, and median household income in comparison to the median income of the State. Lebanon City School District's enrollment is stable, our per pupil property valuation is slightly lower than the State Average, and our median income is slightly above the State average median income. The District is currently on the Guarantee and expected to remain on the guarantee throughout the forecast. It is important to note that if the current funding model were to eliminate the guarantee, District revenues would decline. In addition, the District will not see any increase in revenue for increased student enrollment until the guarantee is satisfied which is currently \$1.2 million or 368 students for Fiscal Year 2020. It is further assumed that this formula will continue through the life of the forecast.



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

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



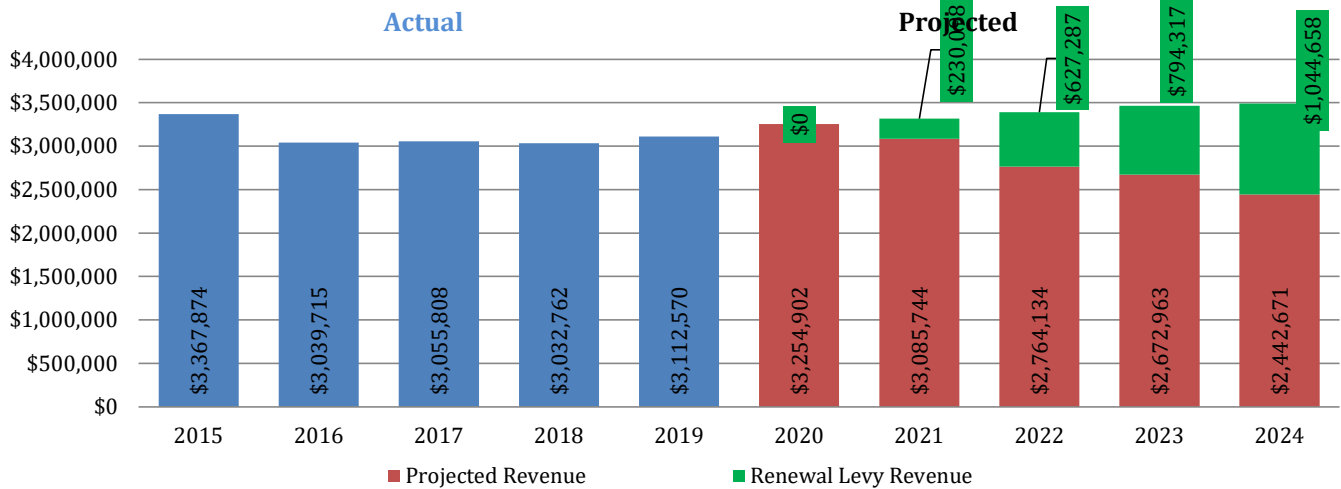
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	260,948	260,948	260,948	260,948	260,948	260,948
YOY \$ Change	(21,673)	-	-	-	-	-
YOY % Change	-7.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%

Restricted funds are those in which the State requires spending to be done following a specific guideline. This forecast assumes that only Career Tech Funding and catastrophic special education funding will occur in the future. The district is expected to receive additional wellness funding beginning this year and into the future but is accounted for outside this forecast based upon Ohio Law.

What will happen regarding this funding going forward.

### 1.050 - Property Tax Allocation

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



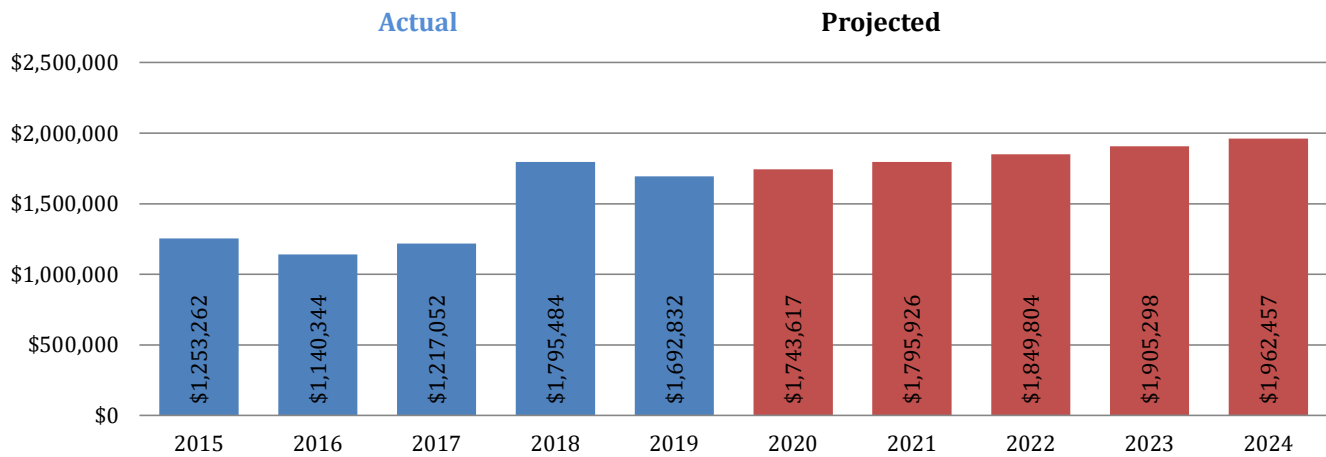
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	3,112,570	3,254,902	3,315,842	3,391,421	3,467,280	3,487,329
YOY \$ Change	79,808	142,332	60,940	75,579	75,859	20,048
YOY % Change	2.6%	4.6%	1.9%	2.3%	2.2%	0.6%
Percentage of Total Revenue	5.9%	5.7%	5.6%	5.6%	5.7%	5.7%
% of Residential Real Estate 10% Rollback	9.96%	8.46%	8.46%	8.46%	8.46%	8.46%
% of Residential Real Estate 2.5% Rollback	1.97%	1.68%	1.68%	1.68%	1.68%	1.68%
% of Residential Real Estate Homestead	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%

All real property taxpayers receive a 10.0% credit or rollback on their tax bills that is reimbursed by the State of Ohio in the form of the Homestead and Rollback Exemption. Homeowners are eligible for an additional 2.5% homestead exemption if they live in their home and it is on a parcel that is less than 2.5 acres. The Homestead and Rollback exemption was eliminated for new and replacement levies passed on or after November 5, 2013 by House Bill 59. However, this change will not affect the total revenue of the District but will significantly impact taxpayers that will no longer receive the reduced rate created by the exemption. The District is anticipating that Rollback and Homestead Exemption will remain in its current form over the life of the forecast for existing levies. New levies in the future will not result in an increase in this line item but will be accounted for entirely in the property tax line items.

\*Projected % trends include renewal levies

### 1.060 - All Other Operating Revenues

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

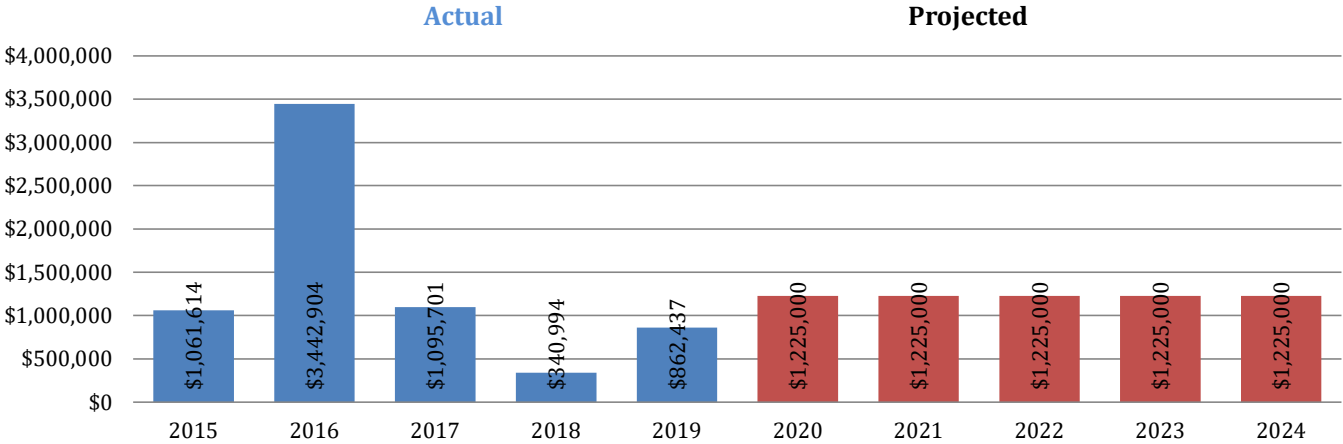


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,692,832	1,743,617	1,795,926	1,849,804	1,905,298	1,962,457
YOY \$ Change	(102,652)	50,785	52,309	53,878	55,494	57,159
YOY % Change	-5.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Percentage of Total Revenue	3.2%	3.1%	3.0%	3.1%	3.1%	3.2%

Typically other local revenue consists of extra-curricular participation fees, commissions, rental income and summer school tuition. It is important to note that the District increased pay to participate fees for the 2012 fiscal year and it is assumed that those fees will continue over the life of the forecast. The District also earns interest on accumulated cash reserves. However, interest rates have been highly variable and that is expected to continue into the future. This line item also includes additional revenue from the casino gaming in Ohio. This line item is anticipated to grow at a modest rate of 3% annually over the life of the forecast.

### 2.070 - Total Other Financing Sources

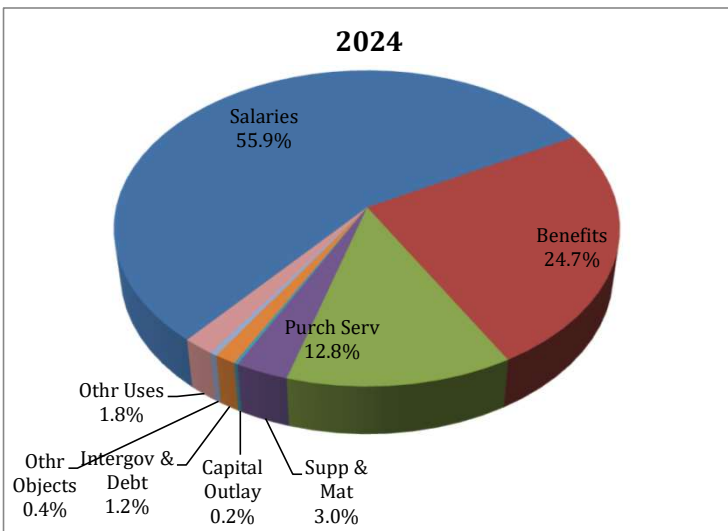
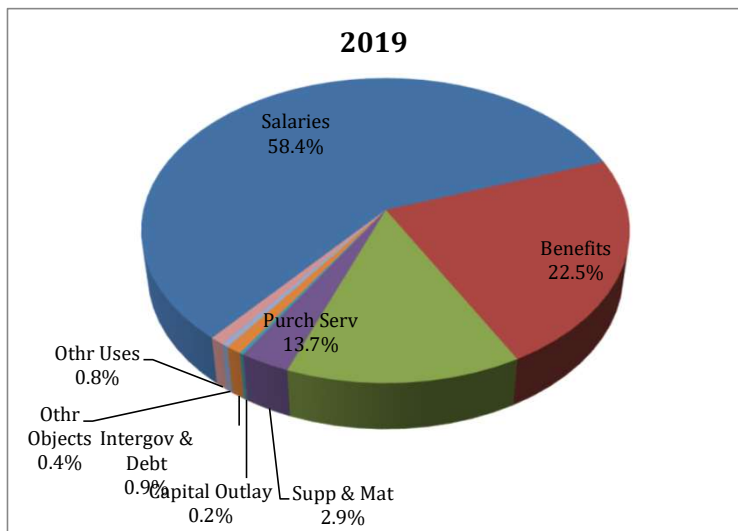
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	862,437	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000
YOY \$ Change	521,443	362,563	-	-	-	-
YOY % Change	152.9%	42.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	1.6%	2.2%	2.1%	2.0%	2.0%	2.0%
Transfers In	-	-	-	-	-	-
Advances In	233,385	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

This line primarily represents the return of temporary monies made to funds experiencing cash flow shortfalls. Advances are not permanent and must always be returned. It is important to note that this is merely an accounting transaction required by law and an offsetting entry is made in the Advances Out section of expenses.

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

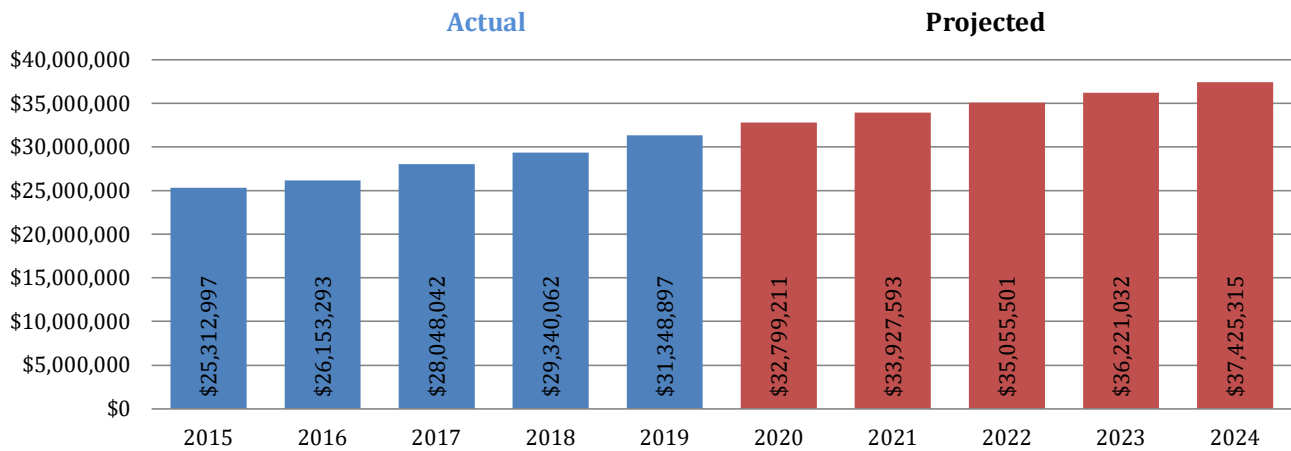


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
<b>Expenditures:</b>							
3.010-Salaries	5.73%	4.63%	3.44%	3.32%	3.32%	3.32%	3.61%
3.020-Benefits	4.07%	8.56%	5.94%	5.95%	6.00%	6.06%	6.50%
3.030-Purchased Services	-1.28%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3.040-Supplies & Materials	0.90%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3.050-Capital Outlay	8.87%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3.060-Intergov	-100.00%	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	0.36%	65.44%	-0.12%	1.06%	-0.22%	0.00%	13.23%
4.300-Other Objects	-9.11%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4.500-Total Expenditures	3.78%	5.85%	3.96%	3.92%	3.93%	3.96%	4.32%
5.040-Total Other Uses	320.63%	165.02%	0.00%	0.00%	0.00%	0.00%	33.00%
5.050-Total w/Other Uses	3.25%	7.20%	3.87%	3.84%	3.85%	3.89%	4.53%

Overall expenditures are anticipated to grow at a modest rate over the life of the forecast. It is important to note that expenditures are expected to exceed revenues in Fiscal Year 2020 and beyond. The levy passed in 2019 satisfies a portion of the funding gap but significant increases in healthcare cost combined with other rising expenditures will continue to erode the cash balance over the life of the forecast. Additional revenues will be needed in the later years of the forecast assuming assumptions remain unchanged.

### 3.010 - Personnel Services

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



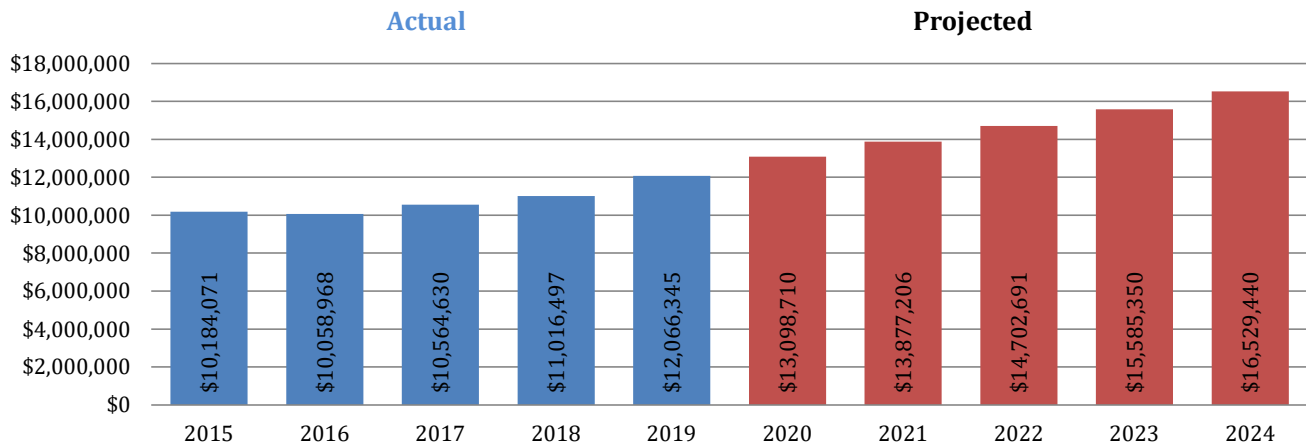
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	31,348,897	32,799,211	33,927,593	35,055,501	36,221,032	37,425,315
YOY \$ Change	2,008,835	1,450,314	1,128,382	1,127,908	1,165,531	1,204,283
YOY % Change	6.8%	4.6%	3.4%	3.3%	3.3%	3.3%
Percentage of Total Budget	58.4%	57.0%	56.8%	56.5%	56.2%	55.9%

Staffing is based upon the program for the 2019-20 school year. In 2011, the District implemented significant cuts in an effort to reduce expenditures. At the core of those reductions was a three year freeze base wages and experience steps through December 2013 for all employees. Beginning in Fiscal Year 2015, increases in salary for experience was reinstated for the remainder of the forecast. In addition, base salaries were increased 1% effective January 2014, 2% for Fiscal Year 2015, 3% for Fiscal Year 2016, 2.75% for Fiscal Year 2017, 2.5% for Fiscal Year 2018, 3% for 2019 and 2.25% for 2020.

In general, staffing is expected to remain relatively constant over the life of the forecast as enrollment is expected to remain relatively stable. The forecast also assumes that base salary increases for all staff an average of 1% in Fiscal Year 2021 and beyond.

### 3.020 - Employees' Benefits

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



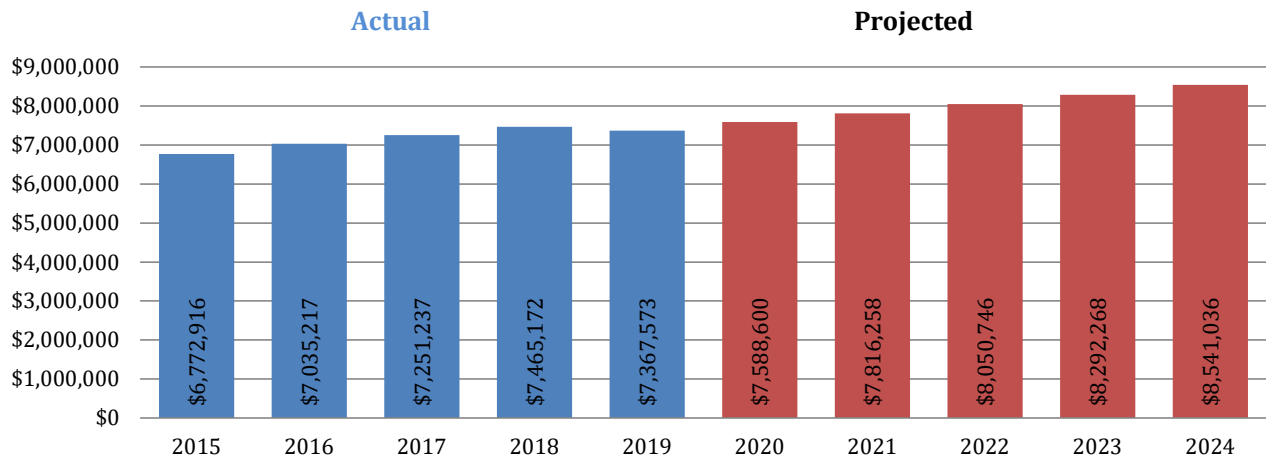
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	12,066,345	13,098,710	13,877,206	14,702,691	15,585,350	16,529,440
YOY \$ Change	1,049,848	1,032,365	778,496	825,485	882,659	944,090
YOY % Change	9.5%	8.6%	5.9%	5.9%	6.0%	6.1%
Percentage of Total Budget	22.5%	22.8%	23.2%	23.7%	24.2%	24.7%

The District is required by law to pay 14% of employees' salary into the State Teachers Retirement System and School Employees Retirement System. It's also required of the District to pay 1.45% of salaries to Medicare and approximately 1% to the State Worker's Compensation Program. Including the cost of the District's share of retirement, Medicare and worker's compensation insurance, we contribute 16.56% of salaries. No significant changes are forecasted for the District's contribution to retirement, Medicare and worker's compensation beyond the increases due to the staff and wage increases. The District has experienced significant increases in health insurance rates historically and this year is no different. The District realized a 14.2% increase in rates for this fiscal year almost twice what was expected. This has had a significant impact on district expenses and cash balances throughout the forecast.

The District participates in the Southwest Ohio Organization School Health (SWOOSH) healthcare consortium to pool health care costs to reduce premiums and reduce risk. This includes both life and dental insurance in the consortium for the same reasons. Future premium increases are currently anticipated to increase approximately 8% annually for the remaining years of the forecast. Dental and life insurances are estimated to respectively rise 5% and 3% annually.

### 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					
	2019	2020	2021	2022	2023	2024
Total	7,367,573	7,588,600	7,816,258	8,050,746	8,292,268	8,541,036
YOY \$ Change	(97,599)	221,027	227,658	234,488	241,522	248,768
YOY % Change	-1.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Percentage of Total Budget	13.7%	13.2%	13.1%	13.0%	12.9%	12.8%

Projected increases in purchased services are the result of additional building space to maintain, increased utility costs, increased specialized services for students, students enrolling in charter schools and other districts through open enrollment. Purchased services are anticipated to increase approximately 3% annually which is consistent with prior year increases.

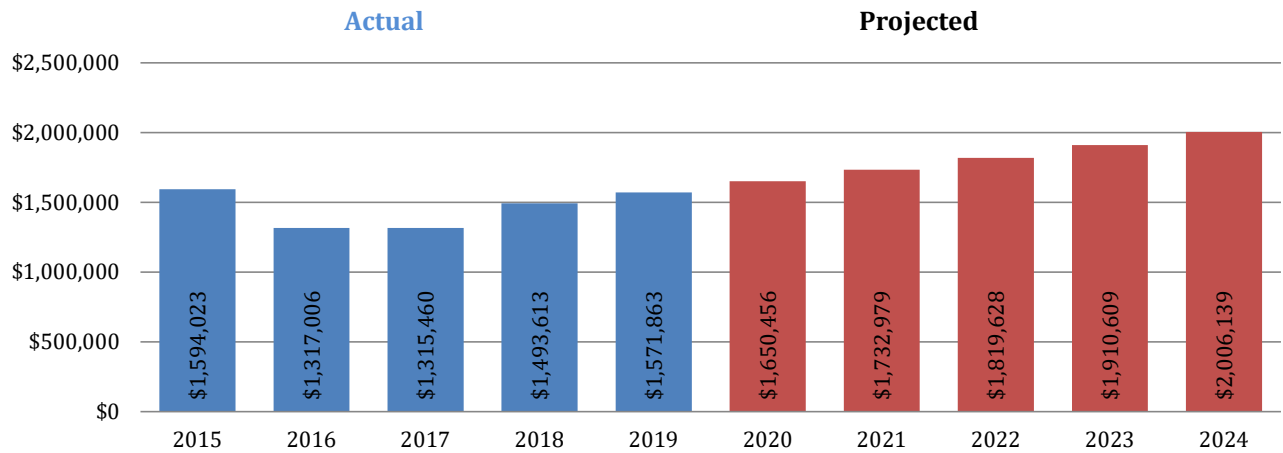
The contract with Warren County Education Service Center is expected to increase approximately 5% annually. In the past, the Warren County Educational Service Center operated the preschool program.

Utilities are also a concern to the District. We have contracted with Vista Consulting to review our energy use and identify potential areas to reduce costs. We have initially invested in software to measure energy consumption in the District and measure the impact of cost reduction strategies. In addition, we have implemented behavioral changes in the District to reduce energy costs by turning off computers, lights and eliminating unnecessary energy utilizing appliances. We have estimated that equipment upgrades will also result in significant energy savings. However beginning in 2015, significant additional square footage will be added to the district requiring additional utilities and maintenance. The initial impact of this has been estimated within the forecast but additional information will be available as the OFCC construction project develops.



### 3.040 - Supplies & Materials

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

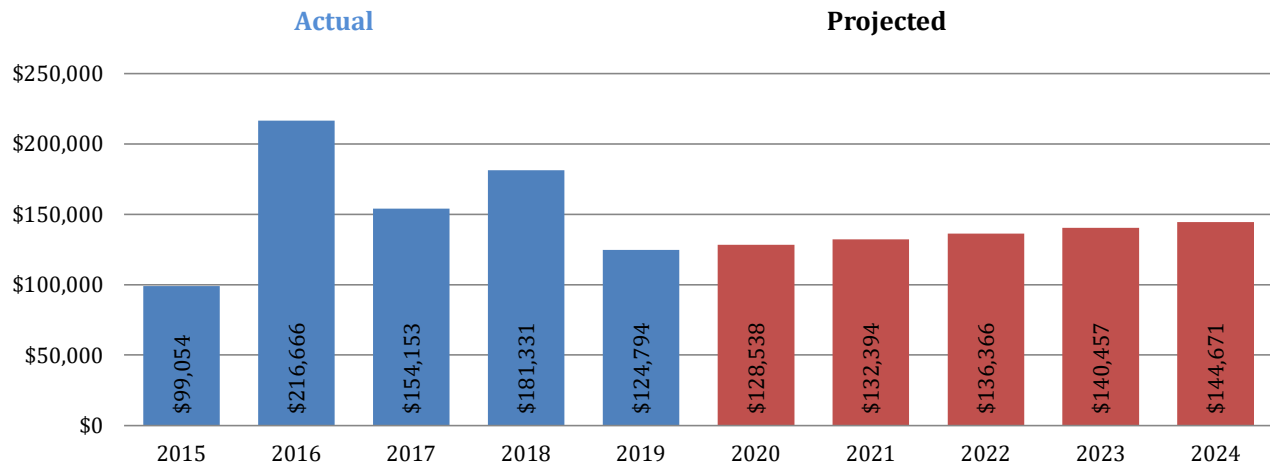


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,571,863	1,650,456	1,732,979	1,819,628	1,910,609	2,006,139
YOY \$ Change	78,250	78,593	82,523	86,649	90,981	95,530
YOY % Change	5.2%	5.0%	5.0%	5.0%	5.0%	5.0%
Percentage of Total Budget	2.9%	2.9%	2.9%	2.9%	3.0%	3.0%

Supplies and materials purchases are estimated to increase at 3% annually in the forecast due in part to increased building square footage as a result of the OFCC Building project expected to be completed in 2018.

### 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.

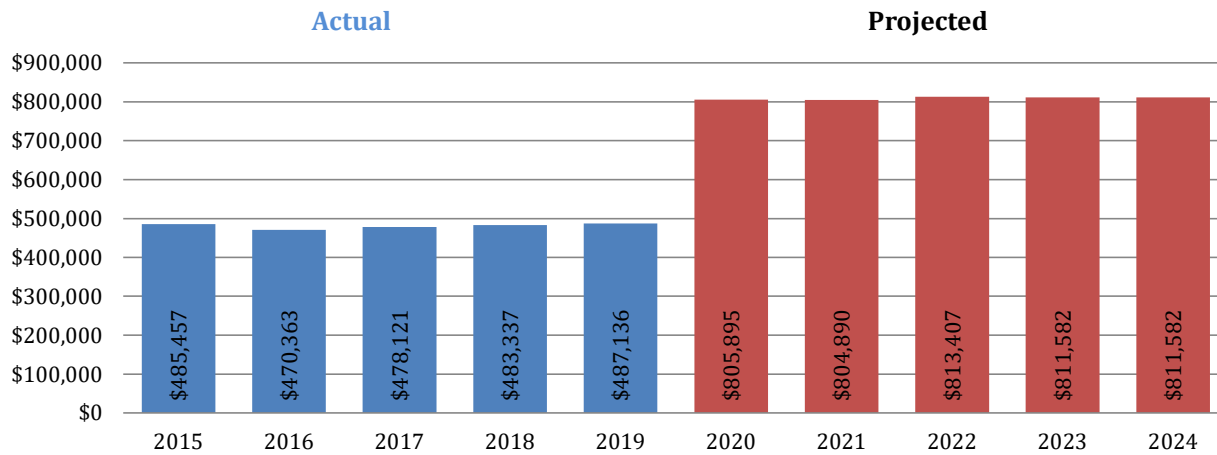


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	124,794	128,538	132,394	136,366	140,457	144,671
YOY \$ Change	(56,537)	3,744	3,856	3,972	4,091	4,214
YOY % Change	-31.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Percentage of Total Budget	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

It is anticipated that these expense will increase 3% annually in the future. The District does maintain a permanent improvement fund that currently purchases most of these items.

### 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					
	2019	2020	2021	2022	2023	2024
Total	487,136	805,895	804,890	813,407	811,582	811,582
YOY \$ Change	3,799	318,759	(1,005)	8,517	(1,825)	-
YOY % Change	0.8%	65.4%	-0.1%	1.1%	-0.2%	0.0%
Percentage of Total Budget	0.9%	1.4%	1.3%	1.3%	1.3%	1.2%

The District has three outstanding debt issues that are the responsibility of the General Operating Fund and are consequently included in the five-year forecast

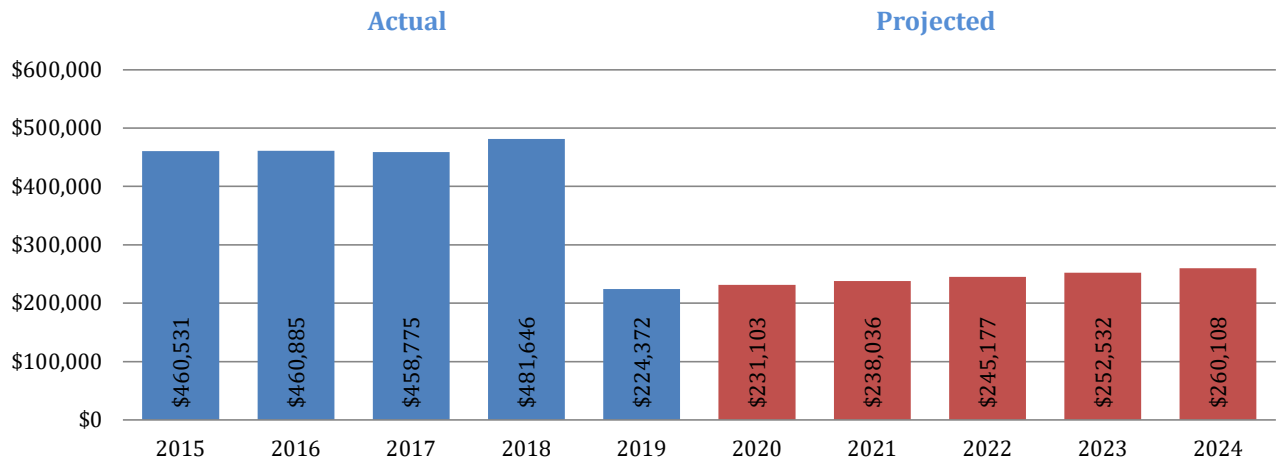
Line 4.050 represents the payment for the House Bill 264 energy management program. The repayment of this debt will be through the associated saving in energy costs from upgraded equipment and behavioral changes.

Line 4.055 represents the payment of the refinanced Certificates of Participation (COPS) issued to fund the locally funded initiatives (LFI) in the construction of the high school and elementary. The LFI's included additional classrooms at Bowman Elementary and Lebanon High School. In addition, this line item includes the debt to renovate the District Event Center and Central Office Complex. The principal for these issues are detailed on line item 4.055.

Line 4.06 represents the interest cost for all of these issues. The issues are financed at fixed rate and cannot increase in cost over time.

### 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.

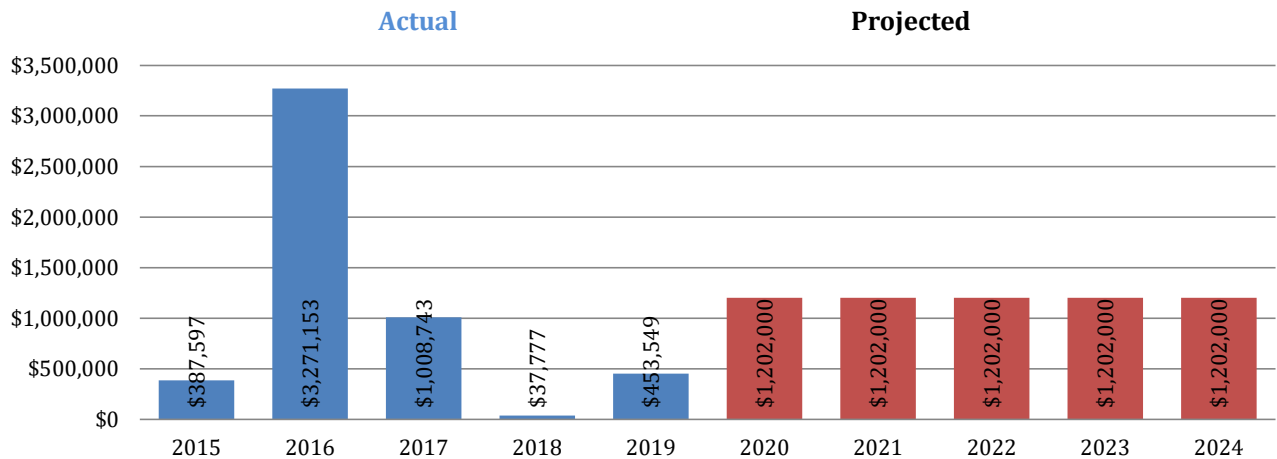


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	224,372	231,103	238,036	245,177	252,532	260,108
YOY \$ Change	(257,274)	6,731	6,933	7,141	7,355	7,576
YOY % Change	-53.4%	3.0%	3.0%	3.0%	3.0%	3.0%
Percentage of Total Budget	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%

Any other costs not previously listed are other object expenses. These are assumed to increase 3% annually.

### 5.040 - Total Other Financing Uses

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



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	453,549	1,202,000	1,202,000	1,202,000	1,202,000	1,202,000
YOY \$ Change	415,772	748,451	-	-	-	-
YOY % Change	1100.6%	165.0%	0.0%	0.0%	0.0%	0.0%
<b>Percentage of Total Budget</b>	<b>0.8%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>1.8%</b>
Transfers Out	-	-	-	-	-	-
Advances Out	453,549	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

Transfers and Advances - Transfer are monies approved by the BOE to give to another fund to maintain a legal balance. Advances are monies loaned to other funds with the approval of the BOE to keep those funds legal and are merely an accounting transaction reflected in the forecast.

Outstanding Encumbrances - Encumbrances are legal financial obligations of the District that have not been expended at fiscal year-end. In the event actual encumbrances are higher than anticipated on June 30, the expenditures in the aforementioned line items will be lower.

**LEBANON CITY SCHOOL DISTRICT - - WARREN COUNTY**

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	22,530,190	25,970,318	26,368,418	23,626,824	22,780,391	20,843,880
1.020 - Public Utility Personal Property	2,791,672	2,831,419	2,940,516	2,777,976	2,730,721	2,626,579
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	21,678,026	21,654,479	21,656,404	21,655,491	21,654,578	21,653,665
1.040 - Restricted Grants-in-Aid	260,948	260,948	260,948	260,948	260,948	260,948
1.050 - Property Tax Allocation	3,112,570	3,254,902	3,085,744	2,764,134	2,672,963	2,442,671
1.060 - All Other Operating Revenues	1,692,832	1,743,617	1,795,926	1,849,804	1,905,298	1,962,457
<b>1.070 - Total Revenue</b>	<b>52,066,238</b>	<b>55,715,683</b>	<b>56,107,956</b>	<b>52,935,177</b>	<b>52,004,899</b>	<b>49,790,200</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	233,385	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
2.060 - All Other Financing Sources	629,052	25,000	25,000	25,000	25,000	25,000
2.070 - Total Other Financing Sources	862,437	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>52,928,675</b>	<b>56,940,683</b>	<b>57,332,956</b>	<b>54,160,177</b>	<b>53,229,899</b>	<b>51,015,200</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	31,348,897	32,799,211	33,927,593	35,055,501	36,221,032	37,425,315
3.020 - Employee Benefits	12,066,345	13,098,710	13,877,206	14,702,691	15,585,350	16,529,440
3.030 - Purchased Services	7,367,573	7,588,600	7,816,258	8,050,746	8,292,268	8,541,036
3.040 - Supplies and Materials	1,571,863	1,650,456	1,732,979	1,819,628	1,910,609	2,006,139
3.050 - Capital Outlay	124,794	128,538	132,394	136,366	140,457	144,671
Intergovernmental & Debt Service	487,136	805,895	804,890	813,407	811,582	811,582
4.300 - Other Objects	224,372	231,103	238,036	245,177	252,532	260,108
<b>4.500 - Total Expenditures</b>	<b>53,190,980</b>	<b>56,302,513</b>	<b>58,529,356</b>	<b>60,823,516</b>	<b>63,213,830</b>	<b>65,718,291</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	453,549	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
5.030 - All Other Financing Uses	-	2,000	2,000	2,000	2,000	2,000
5.040 - Total Other Financing Uses	453,549	1,202,000	1,202,000	1,202,000	1,202,000	1,202,000
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>53,644,529</b>	<b>57,504,513</b>	<b>59,731,356</b>	<b>62,025,516</b>	<b>64,415,830</b>	<b>66,920,291</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>(715,854)</b>	<b>(563,830)</b>	<b>(2,398,400)</b>	<b>(7,865,339)</b>	<b>(11,185,931)</b>	<b>(15,905,091)</b>
7.010 - Cash Balance July 1 (No Levies)	23,513,890	22,798,036	22,234,206	19,835,805	11,970,466	784,535
7.020 - Cash Balance June 30 (No Levies)	22,798,036	22,234,206	19,835,805	11,970,466	784,535	(15,120,557)
		Reservations				
8.010 - Estimated Encumbrances June 30	852,453	800,000	800,000	800,000	800,000	800,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>21,945,583</b>	<b>21,434,206</b>	<b>19,035,805</b>	<b>11,170,466</b>	<b>(15,465)</b>	<b>(15,920,557)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	2,300,923	6,252,736	7,903,614	10,397,650
11.030 - Cumulative Balance of Levies	-	-	2,300,923	8,553,660	16,457,273	26,854,923
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>21,945,583</b>	<b>21,434,206</b>	<b>21,336,729</b>	<b>19,724,125</b>	<b>16,441,808</b>	<b>10,934,366</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>21,945,583</b>	<b>21,434,206</b>	<b>21,336,729</b>	<b>19,724,125</b>	<b>16,441,808</b>	<b>10,934,366</b>