



Austintown Local Schools

Monthly Financial Report

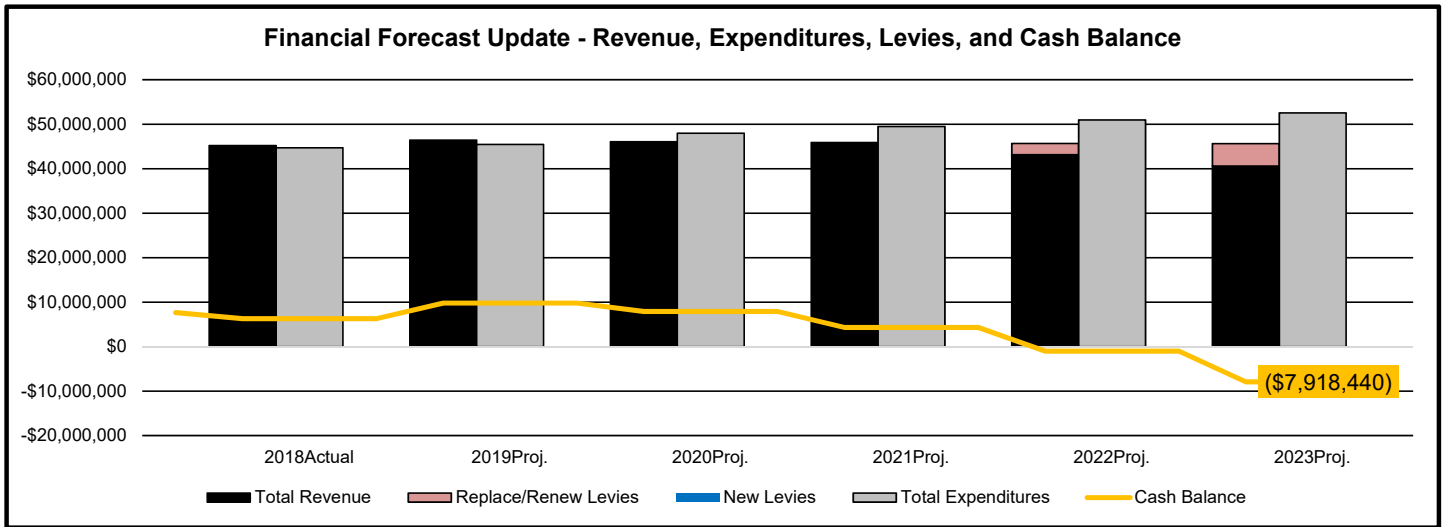
FY 2019 Cash Flow Activity Through: December

Ryan Ghizzoni, Treasurer/CFO

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Forecast Updated for Actual Results through December, F.Y. 2019



Projected Revenue Surplus/(Shortfall) by Year

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue Over/(Under)					
Expenditures (Line 6.01)	985,099	(1,907,225)	(3,587,224)	(5,319,367)	(6,903,412)

Note: The above forecast may reflect updates due to actual cash flow results or other internal/external variables.

Includes Applicable Renewal Levies

Trend Forecast Updated Through FYTD December Compared to Previously Filed Forecast
Change In Line 7.02 Ending Cash Balance + Renewal Levies Resulting from Forecast Updated as of December

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Ending Cash Balance at:	Ending Cash Balance (Line 7.02) + Renewal Levies				
Previous Forecast	9,338,702	7,319,977	3,617,629	(1,883,326)	(9,064,636)
Updated Forecast as of December	9,798,788	7,891,563	4,304,339	(1,015,028)	(7,918,440)
Change	460,086	571,586	686,710	868,298	1,146,196
% of Cumulative Annual Budget	1.0%	0.6%	0.5%	0.4%	0.5%

Previous Forecast Date: 11/11/2018

The current five year forecast projections are trending better than the five year forecast that was approved by the Board of Education in October. Changes effecting special education tuition, interest income and state funding have increased estimated revenues whiles decreases in employee benefits and community schools have slightly decreased expenditures.

Even with these improvements in revenue and expenditures trends, the district is still projected to begin deficit spending during the next fiscal year by more than \$1.9 million. This will lead to a negative cash balance by FY 2022 if no changes are made to the forecast trends. The district will need to research ways to either increase revenue or reduce expenditures within the next seven months to begin to reverse these trends and ensure fiscal stability for the district throughout the forecast period.

FY 19 Analysis of Month of December Actual and Estimated

December		Revenue		December	
Actual Cash Flow For the Month	Actual Compared to Last Year			Estimated For the Month	Actual Compared to Estimated
2,249,171	▼ (1,248,054)	-35.7%	Total Revenue	2,154,788	▲ 94,383
					4.38%
-	-		Real Estate Taxes	-	-
-	-		Public Utility PP Taxes	-	-
-	-		Income Tax	-	-
1,924,693	▲ 198,773		State Revenue	1,829,788	▲ 94,905
-	▼ (1,182,455)		Prop Tax Allocation	-	-
324,478	▼ (45,609)		Other Revenue	325,000	▼ (522)
-	▼ (218,762)		Other Sources	-	-

December		Expenditures		December	
Actual Cash Flow For the Month	Actual Compared to Last Year			Estimated For the Month	Actual Compared to Estimated
3,631,550	▼ (94,053)	-2.5%	Total Expenditures	3,660,970	▼ (29,420)
					-0.80%
1,911,643	▲ 82,424		Salaries	1,885,000	▲ 26,643
845,918	▼ (282,009)		Benefits	875,000	▼ (29,082)
788,882	▲ 68,896		Purchased Services	809,000	▼ (20,118)
60,409	▲ 26,558		Supplies	60,000	▲ 409
34	▼ (70)		Capital	-	▲ 34
21,694	▲ 10,148		Other Expenses	29,000	▼ (7,306)
2,970	▲ 0		Other Uses & Debt	2,970	▲ 0

Year-Over-Year Cash Balance Comparison

	FY 2018	FY 2019	Yr-Over-Yr Change
December, End of Month Cash Balance	8,000,562	9,252,659	1,252,098

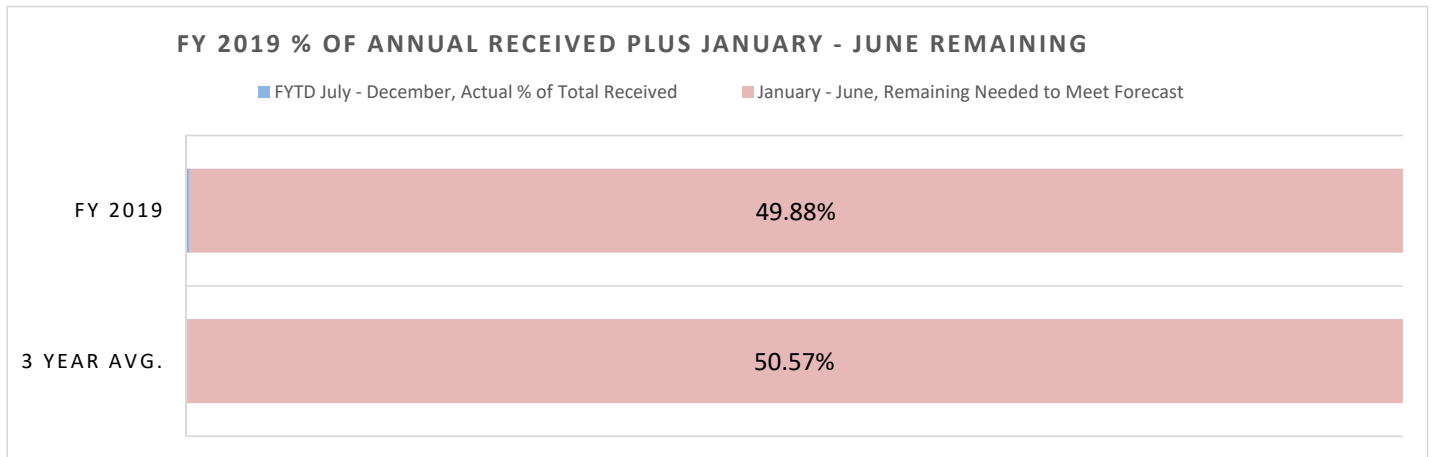
Revenue collections for the month of December are down 35.7% compared to the amount collected during the same month in the previous fiscal year. This significant decrease is primarily due to the timing of when the district received the \$1.1 million in Homestead and Rollback payments. During the current fiscal year, this revenue was received in November, while it was not received until December during the previous fiscal year.

The difference in timing of the percent of state foundation payment received by the State caused actual revenue received during the month of December to be 4.38% more than the amount estimated to be collected.

Expenditures for the month of December are down 2.5% compared to the amount expended during the same time period during the previous year. This decrease is due to the district paying the workers compensation premium in December during FY18. It will not be charged until January for the current fiscal year. The retroactive payments to classified employees during the current month, higher legal payments, and increased tuition payments offset a portion of this decrease.

Actual expenditures for the month of December were consistent with the projected expenditures for the month.

FY 19 Actual July - December Received As Percentage of Annual Total Revenue



FY 19 Annual Revenue Forecast, FYTD Actual, and Remaining Cash Flow Estimate

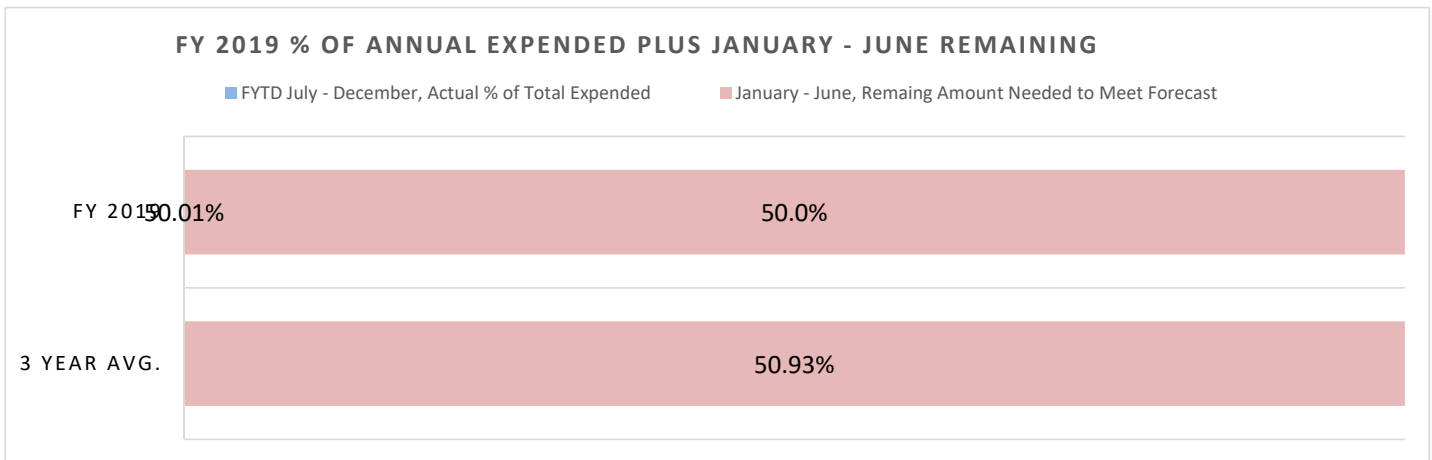
July - June Annual			July - December		January - June		Remaining Cash Flow Estimate Over/(Under) Needed to Meet Forecast
FY 2019 Forecast Amount	YOY Change		FYTD 2019 Actual Amount	YOY Change	Remaining Cash Flow Estimate	YOY Change	
46,436,990	▲ 2.7%	Total Revenue	23,274,465	▲ 4.5%	23,162,527	▲ 1.0%	▲ 2
15,584,723	▼ -0.7%	Real Estate Taxes	7,467,330	▲ 1.3%	8,117,395	▼ -2.4%	▲ 1
1,059,357	▲ 5.1%	Public Utility PP Taxes	439,477	▲ 4.3%	619,880	▲ 5.6%	-
-	0.0%	Income Tax	-	0.0%	-	0.0%	-
22,252,856	▲ 5.7%	State Funding	11,295,370	▲ 5.7%	10,957,486	▲ 5.6%	-
2,331,814	▼ -0.7%	Property Tax Allocation	1,164,816	▼ -1.5%	1,166,998	▲ 0.2%	-
4,870,355	▲ 2.6%	All Other Revenue	2,579,635	▲ 8.4%	2,290,720	▼ -3.3%	-
337,885	▼ -2.6%	Other Sources	327,837	▲ 45.8%	10,048	▼ -91.8%	-

Note: Remaining Estimated Cash Flow, if realized, would result in total revenue being \$2 higher than forecast.

The district is anticipating that total revenue will increase by 2.7% for the current fiscal year. To date, total revenue collections have exceeded the previous year by 4.5%. This increase is mainly due to the district changing the posting of scholarship and STEM costs as an expenditure for the current fiscal year rather than a reduction of revenue, as it was posted in the previous fiscal year. In addition, other revenue collections have increased due to higher interest earnings and the district posting current year Medicaid payments to the General Fund.

The district is projecting that the change of scholarship and STEM tuition costs will also cause increases in state funding for the remainder of the fiscal year. However, decreases in open enrollment revenue and real estate tax collections are expected to offset a large portion of this increase for the remaining six months of the fiscal year.

FY 19 Actual July - December Expended As Percentage of Annual Total Expenditures



FY 19 Annual Expenditure Forecast, FYTD Actual, and Remaining Cash Flow Estimate

July - June Annual			July - December		January - June		Remaining Cash Flow Estimate Over/(Under) Needed to Meet Forecast
FY 2019 Forecast Amount	YOY Change		FYTD 2019 Actual Amount	YOY Change	Remaining Cash Flow Estimate	YOY Change	
45,451,891	▲ 1.7%	Total Expenditures	22,729,425	▲ 1.2%	22,733,475	▲ 2.3%	▲ 11,009
23,722,297	▲ 3.2%	Salaries	11,463,660	▲ 1.6%	12,257,992	▲ 4.7%	▼ (645)
9,371,261	▼ -3.1%	Benefits	5,423,219	▼ -3.9%	3,959,697	▼ -1.7%	▲ 11,655
11,086,288	▲ 18.6%	Purchased Services	5,188,286	▲ 15.9%	5,898,002	▲ 21.0%	-
1,028,783	▼ -3.3%	Supplies	405,485	▼ -27.6%	623,297	▲ 23.8%	-
(492,748)	<-100%	Capital	(8,322)	<-100%	(484,426)	<-100%	-
570,358	▲ 46.7%	All Other Expenditures	239,276	▲ 32.9%	331,082	▲ 58.6%	-
165,652	▼ -15.7%	Other Uses	17,821	▼ 0.0%	147,831	▼ -16.6%	-

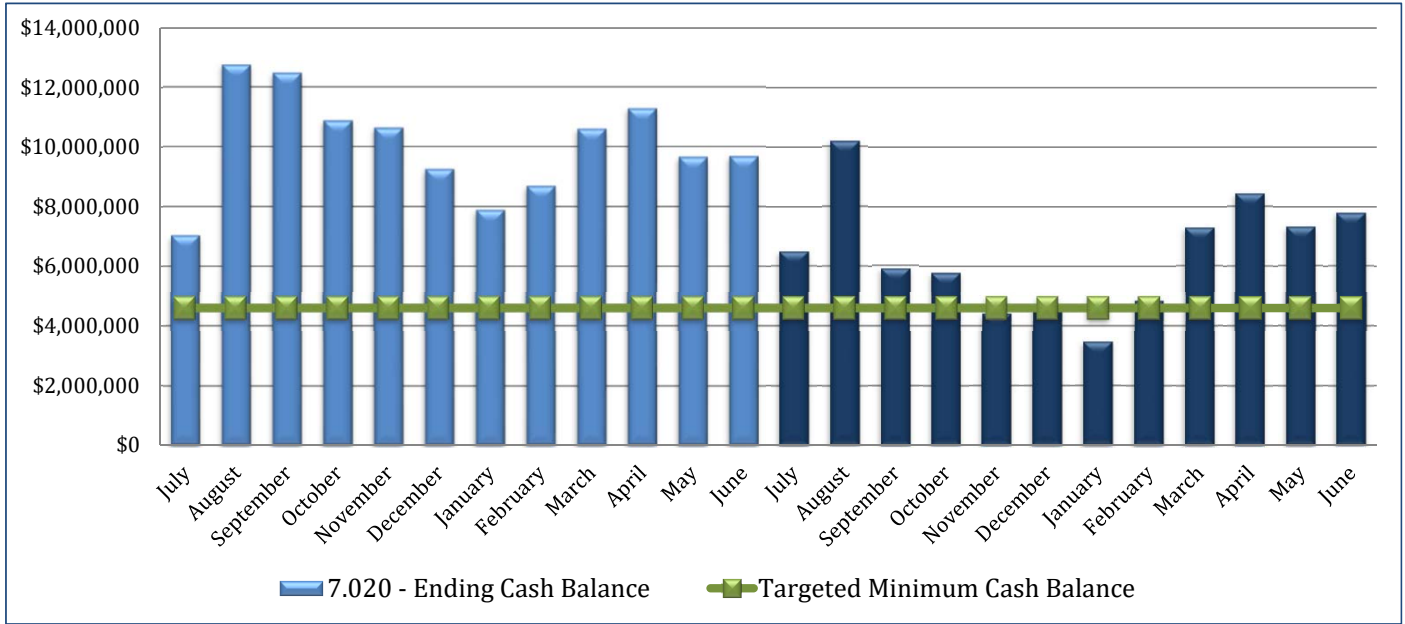
Note: Remaining Estimated Cash Flow, if realized, would result in total expenditures being \$11,009 higher than forecast.

For fiscal year 2019, total expenditures are expected to exceed the prior year by 1.7%. A large factor in this increase was mentioned on the previous page. Due to the district posting STEM and scholarship tuition as an expenditure during the current school year, rather than as a reduction of revenue, purchased service expenses will increase by more than \$1.1 million. Projected increases in open enrollment tuition expenses and legal expenses are also included in these projections. The refund of prior year capital outlay expenses with the lighting project lease proceeds will cause capital outlay expenditures to be a negative amount.

Year-to-date expenditures are up 1.2% for the first six months of the fiscal year, this is mainly due to increases in wages, higher open enrollment expenses, legal costs and lease payments for the lighting renovation work.

For the remaining six months of the fiscal year, total expenditures are expected to increase by 2.3%.

Monthly Cash Balance Projections



FY 2019
FY 2020

The district has an adequate cash balance through June of 2020. However, between November and February of FY 2020, the district's cash balance will fall below the targeted minimum cash balance level. This is the first indicator that the district's overall cash balance is beginning to be stressed. Beginning in March of 2020, and continuing through the remainder of the fiscal year, the cash balance goes above this level as the real estate tax revenue for the second half of the fiscal year is collected.

**State Funding Enrollment Analysis
Year-Over-Year Change per ODE SFPR**

Austintown Local SD

		SFPR Data					
		FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	Dec #2 FY 2019
Line							
1	Formula ADM	4,894.16	4,812.61	4,698.53	4,599.77	4,462.92	4,458.35
			-1.67%	-2.37%	-2.10%	-2.98%	-0.10%
2	Resident / Adjusted Total ADM	4,994.38	4,911.99	4,803.43	4,721.83	4,590.52	4,579.19
			-1.65%	-2.21%	-1.70%	-2.78%	-0.25%
3	Resident ADM (District Educated)	4,526.06	4,376.33	4,199.20	4,067.55	3,876.82	3,828.37
			-3.31%	-4.05%	-3.14%	-4.69%	-1.25%
4	Total District Educated ADM	5,193.46	5,071.89	4,950.07	4,834.08	4,602.29	4,464.63
			-2.34%	-2.40%	-2.34%	-4.79%	-2.99%
5	Open Enrollment In ADM	667.40	695.56	750.87	766.53	725.47	636.26
			4.22%	7.95%	2.09%	-5.36%	-12.30%
6	Open Enrollment Out ADM	216.74	271.93	322.09	359.02	370.55	426.00
			25.46%	18.45%	11.47%	3.21%	14.96%
7	Community School ADM	102.33	105.37	113.58	106.64	152.14	140.80
			2.97%	7.79%	-6.11%	42.67%	-7.45%
8	Scholarship ADM	23.98	34.02	37.43	36.04	31.39	32.97
			41.87%	10.02%	-3.71%	-12.90%	5.03%
9	Career Tech ADM (Incl. Contract)	125.27	124.34	131.13	152.58	159.62	151.05
			-0.74%	5.46%	16.36%	4.61%	-5.37%
10	Limited English Proficient ADM	33.00	38.86	35.79	36.32	40.45	41.89
			17.76%	-7.90%	1.48%	11.37%	3.56%
11	Economic Disadvantaged ADM	2,221.13	2,163.04	2,194.99	2,177.24	2,058.21	2,040.05
			-2.62%	1.48%	-0.81%	-5.47%	-0.88%
12	Economic Disadvantaged %	44.47%	44.04%	45.70%	46.11%	44.84%	44.55%
			-0.98%	3.77%	0.91%	-2.76%	-0.64%
13	Special Education ADM	647.28	673.52	669.23	676.14	660.94	699.67
			4.05%	-0.64%	1.03%	-2.25%	5.86%

Based on the latest SFPR data released by the Ohio Department of Education the district's resident enrollment has decreased by 1.25% since FY18 while the total number of students being educated in the district has declined by 2.99%. The district educated enrollment number decrease is larger than the resident educated number due to less students open enrolling into the school district and more resident students opting to enroll in other districts.