



Austintown Local Schools

# **Five Year Forecast Financial Report**

May, 2019



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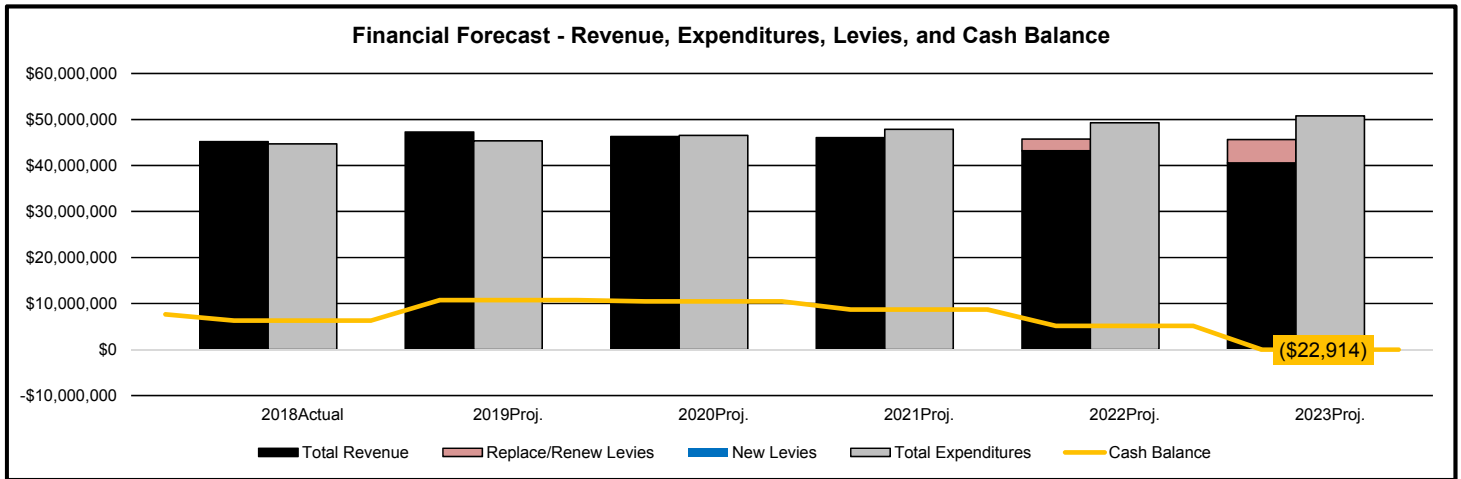
### Forecast Purpose/Objectives

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



## Austintown Local Schools

### Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	8,813,689	10,735,077	10,473,860	8,687,222	5,133,138
+ Revenue	47,286,383	46,295,892	46,064,751	43,200,737	40,570,380
+ Proposed Renew/Replacement Levies	-	-	-	2,531,057	5,074,165
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(45,364,995)	(46,557,109)	(47,851,389)	(49,285,878)	(50,800,596)
= Revenue Surplus or Deficit	1,921,388	(261,217)	(1,786,638)	(3,554,084)	(5,156,051)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	10,735,077	10,473,860	8,687,222	5,133,138	(22,914)

### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	1,921,388	(261,217)	(1,786,638)	(6,085,141)	(10,230,216)
Ending Balance w/o Levies	10,735,077	10,473,860	8,687,222	2,602,081	(7,628,135)

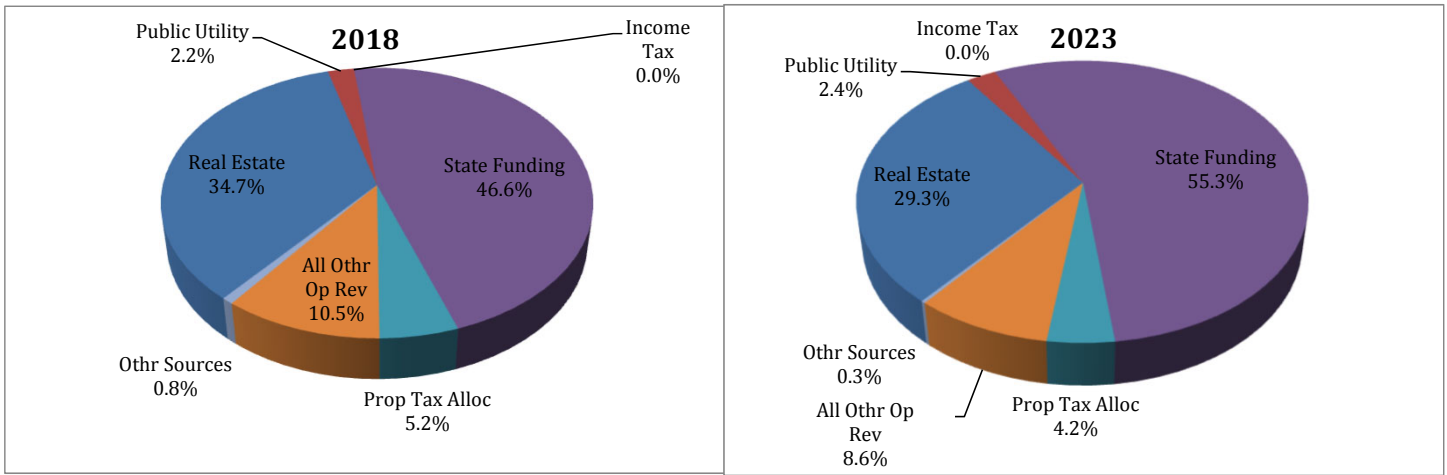
A balanced budget and adequate cash balance are two sound business practices that ensure fiscal stability and a consistent and dependable educational experience for our students. The district has been able to maintain a balanced budget since FY15 and current year projections estimate that there will be a balanced budget for FY19 as well. In addition, the current cash balance of the district is equal to 20% of the overall budget.

Since the release of the October forecast, the district has been working on reducing the projected operating deficit that was projected for FY20. A budget reduction plan was developed and implemented in the spring. There have been changes made to the budget reduction plan since it was initially developed. This five year forecast includes the estimated savings from the most current plan. Even with the implementation of the FY20 budget reduction plan, the district is expected to continue to deficit spend throughout the forecast period. Reductions in open enrollment revenue collections, increases in open enrollment tuition expenses, stagnant state funding levels and minimal increases in real estate taxes are the primary factors impacting the projected year-over-year increase in the operating deficit.

If no changes are made to the revenue or expenditure base in future fiscal years, the district will quickly reduce the cash balance of the district.

Furthermore, failure by the district to renew the outstanding fixed rate levy prior to FY22 will result in further fiscal instability and a negative cash balance that is greater than 40% of total revenue by FY23.

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



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Revenue:</b>							
1.010-Real Estate	1.00%	0.74%	0.23%	0.49%	0.44%	0.27%	0.43%
1.020-Public Utility	8.03%	5.87%	3.18%	4.68%	3.79%	3.65%	4.23%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	2.73%	5.69%	-0.10%	0.01%	-0.01%	0.18%	1.15%
1.040-Restricted Aid	140.16%	30.53%	-0.85%	-0.91%	-0.16%	-0.42%	5.64%
1.045-Restr Federal SFSF	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	17.37%	-0.65%	0.19%	0.29%	0.29%	0.17%	0.06%
1.060-All Other Operating	5.18%	11.89%	-17.88%	-7.10%	-9.86%	-4.50%	-5.49%
1.070-Total Revenue	2.36%	4.66%	-1.93%	-0.39%	-0.62%	-0.08%	0.33%
2.070-Total Other Sources	36.25%	-1.84%	-25.10%	-19.61%	-24.39%	-32.26%	-20.64%
2.080-Total w/Other Srcs	2.44%	4.61%	-2.09%	-0.50%	-0.72%	-0.19%	0.22%

Over the past five years, the district has seen an average annual increase in operating revenue of 2.36% annually. These increases have mainly been attributed to increases in open enrollment tuition revenue and real estate tax revenue.

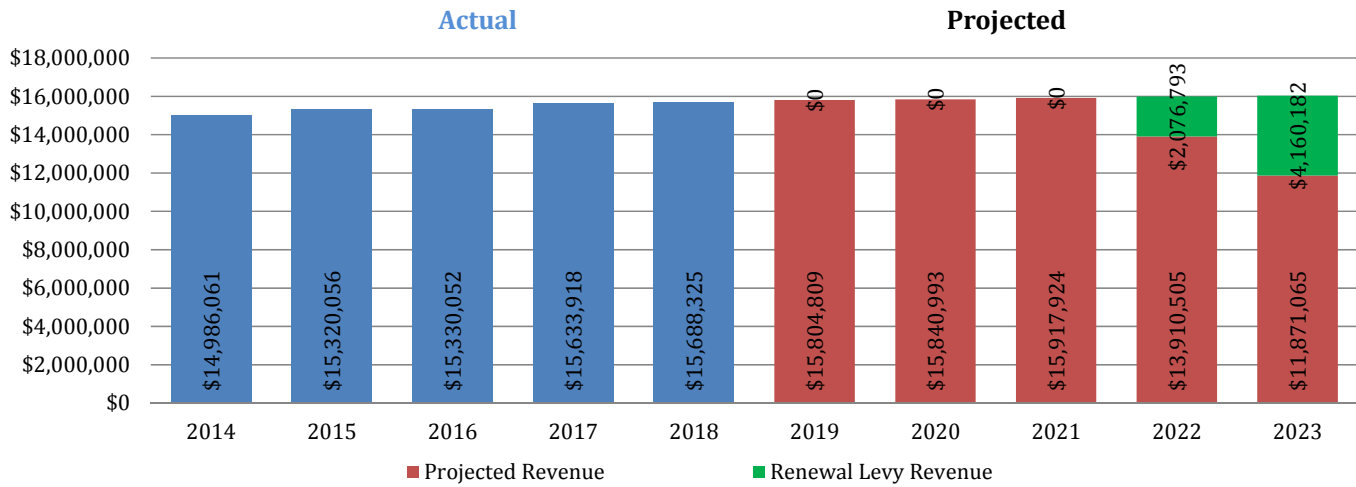
Over the next five years, the district is projecting that overall operating revenue will begin to decrease on an annual basis, starting in FY20. This decrease in operating revenue is due to projected decreases in open enrollment tuition revenue, lower federal Medicaid reimbursements and decreases in interest income due to a lower projected cash balance.

For the current fiscal year, the reduction in open enrollment revenue was offset by increases in interest income, excess cost tuition income and the district beginning to post Medicaid reimbursements to the General Fund rather than the 599 fund.

The following assumptions will outline the revenue projections for the five year forecast.

### 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).



	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	15,688,325	15,804,809	15,840,993	15,917,924	15,987,298	16,031,247
YOY \$ Change	54,407	116,484	36,184	76,931	69,374	43,949
YOY % Change	0.3%	0.7%	0.2%	0.5%	0.4%	0.3%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	34.7%	33.4%	34.2%	34.6%	35.0%	35.1%

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Year	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	595,990,520	603,650	29.32	0.01	33.50	0.20	99.9%
2019	596,915,520	925,000	29.33	0.01	33.61	0.11	99.7%
2020	607,190,520	10,275,000	29.09	(0.24)	33.00	(0.62)	99.7%
2021	608,015,520	825,000	29.10	0.01	33.10	0.11	99.7%
2022	608,840,520	825,000	29.12	0.01	33.21	0.11	99.7%

Real estate tax revenue is the second largest form of revenue the district receives at 33.6% of overall revenue.

While the district has experienced increases in property values over the past five years due to new construction, existing property values have not rebounded from the 2007 recession in the same trends that other parts of Ohio have experienced. The most recent property reappraisal, that occurred in 2017, resulted in the largest increase in existing property values that the district has seen since prior to 2006. Residential values increased by 1.13% and commercial/industrial values increased by 2.35%. For tax year 2018, increases in residential and commercial/industrial property values due to new construction, offset decreases in both classes of property that resulted from property tax complaints and Board of Revision matters. The district is anticipating that property values will experience an overall increase of 1.8% during the next triennial update that will occur in 2020.

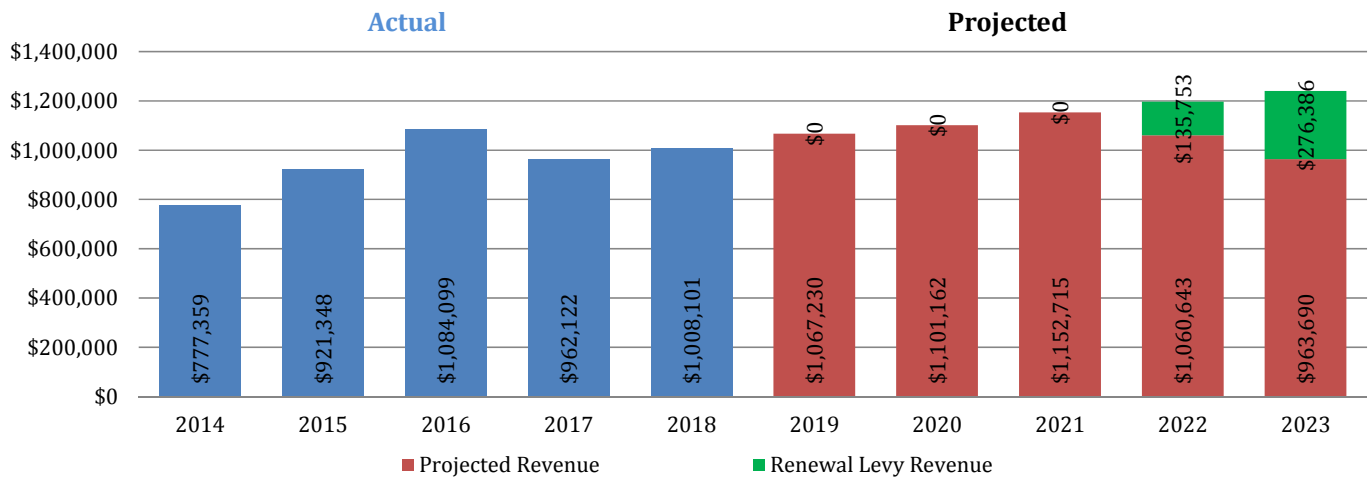
The district's annual gross collection rate has averaged just below 100% over the past five years at 99.06%. Based on the district's current collections rates and delinquency collections, the district is projecting a slightly higher average gross collection rate for tax years 2019 - 2023 of 99.8%.

The forecast assumptions in the revenue note assumes that the district will successfully renew the outstanding fixed rate levy prior to FY22.

\*Projected % trends include renewal levies

### 1.020 - Public Utility Personal Property

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	1,008,101	1,067,230	1,101,162	1,152,715	1,196,396	1,240,076
YOY \$ Change	45,979	59,129	33,932	51,553	43,681	43,680
YOY % Change	4.8%	5.9%	3.2%	4.7%	3.8%	3.7%

Percentage of Total Revenue	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%
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Values and Tax Rates					Gross Collection Rate Including Delinquencies
Year	Valuation	Value Change	Full Voted Rate	Change	
2018	19,854,550	1,056,610	54.60	-	100.0%
2019	20,654,550	800,000	54.60	-	100.0%
2020	21,454,550	800,000	54.60	-	100.0%
2021	22,254,550	800,000	54.60	-	100.0%
2022	23,054,550	800,000	54.60	-	100.0%

Public Utility Personal Property Tax Revenue is generated from telephone, natural gas, electric and water lines and equipment. This source of revenue represents 2.3% of the district's overall revenue.

Over the past ten years, public utility property values have increased by an average of 6.38% annually. For tax year 2018, these values had a year-over-year increase of 5.6%.

This increase in property values has also increased the tax revenue the district receives, which as of fiscal year 2019 is \$363,000 higher than the amount the district received in FY13.

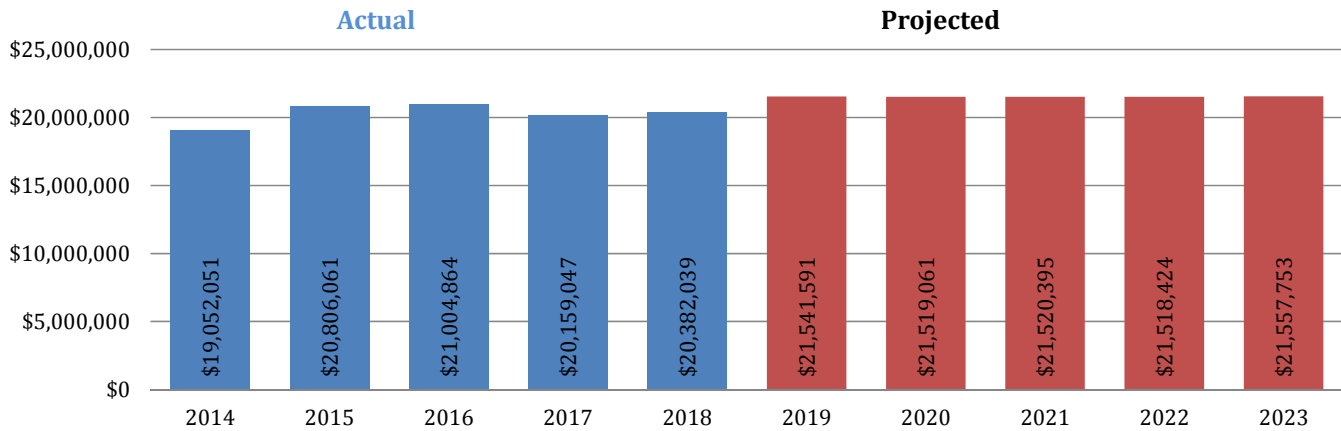
The average rate of increase to these property values are expected to increase at a slower annual rate for tax year 2019 and beyond.

The forecast assumptions in the revenue note assumes that the district will successfully renew the outstanding fixed rate levy prior to FY22.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	20,382,039	21,541,591	21,519,061	21,520,395	21,518,424	21,557,753
YOY \$ Change	222,992	1,159,552	(22,530)	1,334	(1,971)	39,329
YOY % Change	1.1%	5.7%	-0.1%	0.0%	0.0%	0.2%
Percentage of Total Revenue	45.1%	45.6%	46.5%	46.7%	47.1%	47.2%
Core Funding Per Pupil	6,010	6,020	6,050	6,100	6,150	6,200
State Share Index (SSI)	52.1%	52.1%	53.4%	53.4%	53.7%	53.7%
State Core Funding Per Pupil	3,131	3,137	3,230	3,256	3,304	3,331
Formula ADM (Funded Student Count)	4,463	4,501	4,417	4,340	4,327	4,292
Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee	Formula

State funding is the district's largest revenue source, equating to 45.9% of the total revenue collected by the district in FY19. This funding source is determined not only by the resident students that are educated by the district, but also resident students that choose to attend other educational organizations that qualify for state funding.

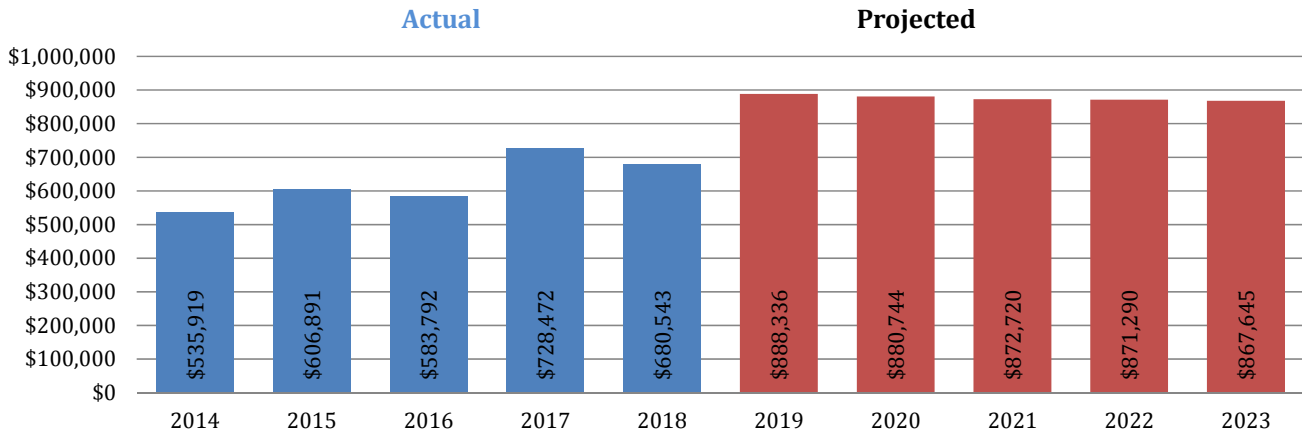
As of the date this forecast was published, a new state funding formula had not been passed into law. For FY20 - FY23, the state funding formula projections are based on the formula that is in current law. Should a new state funding formula make drastic changes to how the district's revenue is calculated, these projections would need to be changed accordingly.

Due to a drop in students residing in the district in recent years, the district has been on the funding guarantee since FY17. By being on the funding guarantee, the district is assured that it will receive the same amount of state funding that it did in the previous year. However, with the last biennial budget, the State of Ohio implemented guarantee reductions for districts experiencing declining enrollment in excess of 5%. If these guarantee reductions continue into future funding formulas and the district's enrollment declines by more than established levels, the state funding level could be reduced. This forecast does not reflect any reductions in state funding due to declining enrollment. Based on current enrollment modeling, the district's funded student count will drop to 4,292 by FY23 or an additional 209 students. The district is projected to remain on the funding guarantee through FY22. Current projections estimate that by FY23, the district will be a formula district. This would result in the first state funding increase to the district in 6 years.

Prior to the current fiscal year, the district posted STEM and scholarship tuition expenses as a reduction of state revenue. For the current and future fiscal years, these tuition expenses will be posted as an expenditure, which gives the appearance that there is a large increase in state funding for the current fiscal year.

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

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	680,543	888,336	880,744	872,720	871,290	867,645
YOY \$ Change	(47,929)	207,793	(7,592)	(8,024)	(1,430)	(3,645)
YOY % Change	-6.6%	30.5%	-0.9%	-0.9%	-0.2%	-0.4%
Percentage of Total Revenue	1.5%	1.9%	1.9%	1.9%	1.9%	1.9%
Economic Disadvantaged Funding	470,572	477,282	469,691	461,667	460,237	456,591
Percentage of Disadvantaged Students	44.8%	44.8%	44.9%	44.9%	44.9%	44.9%

Restricted grants-in-aid represent 1.9% of the overall general fund budget and include economic disadvantaged funding and career tech funding.

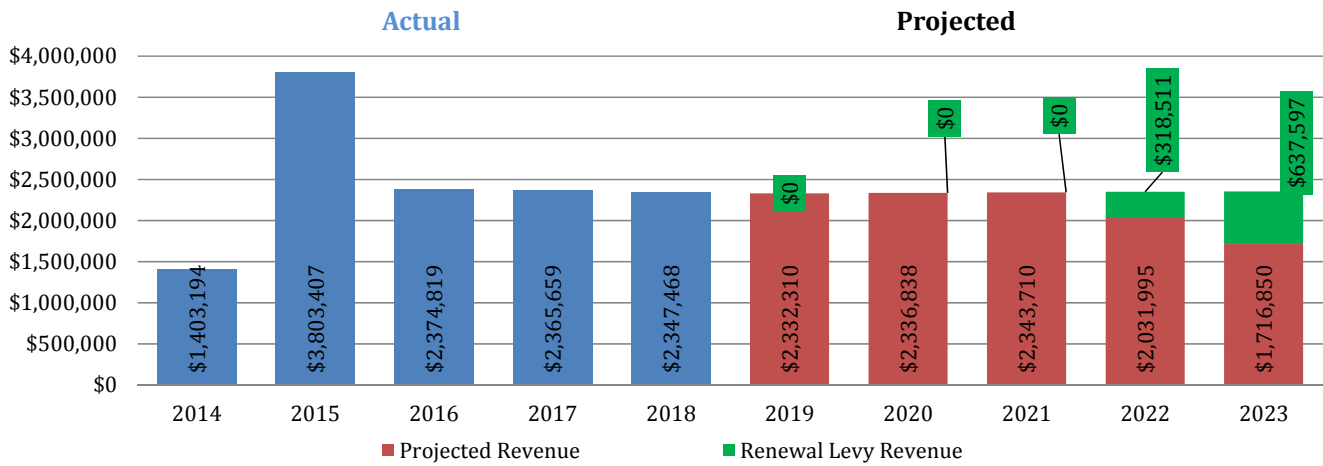
For FY19, the district is projected to collect \$211,053 in career tech funding and \$477,282 in economic disadvantaged funding. In addition, the district filed for catastrophic costs reimbursement for FY18 during the current fiscal year. While the exact amount of reimbursement the district will receive from the State of Ohio is not yet known, \$200,000 is included in these forecast projections for FY19 - FY23.

For subsequent fiscal years, career tech funding is projected to maintain the FY19 level and economic disadvantaged funding is expected to total \$469,691 in FY20 and decrease approximately \$8,000 annually through FY23.



### 1.050 - Property Tax Allocation

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	2,347,468	2,332,310	2,336,838	2,343,710	2,350,506	2,354,447
YOY \$ Change	(18,191)	(15,158)	4,528	6,872	6,796	3,941
YOY % Change	-0.8%	-0.6%	0.2%	0.3%	0.3%	0.2%
Percentage of Total Revenue	5.2%	4.9%	5.0%	5.1%	5.1%	5.2%
% of Residential Real Estate 10% Rollback	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
% of Residential Real Estate 2.5% Rollback	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%
% of Residential Real Estate Homestead	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%

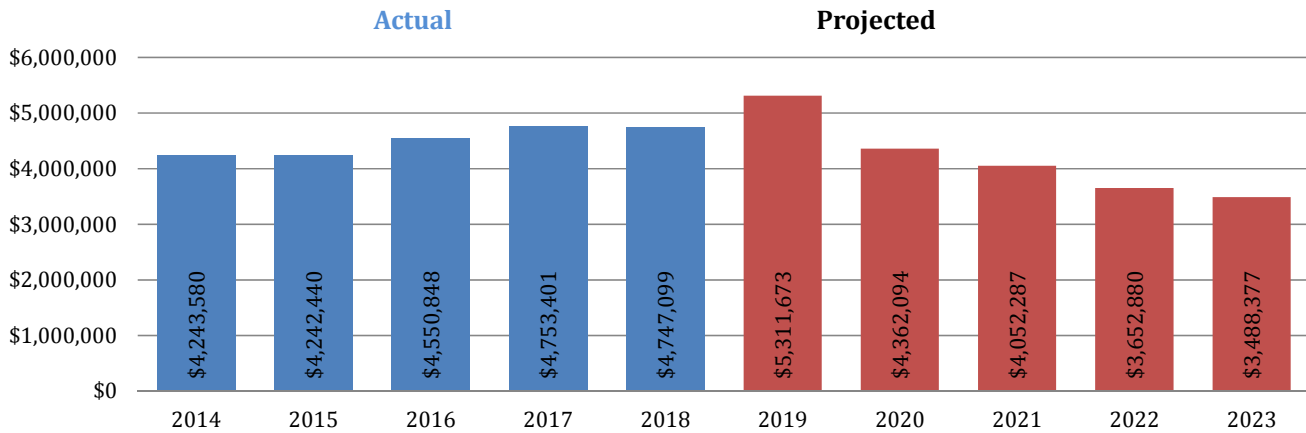
Property tax allocation revenue represents 5.0% of the district's overall general fund revenue. This revenue line accounts for Homestead (senior and disabled tax credits) and Rollback (10% tax credit for residential property and 2.5% tax credit for owner occupied homes) revenue paid by the State of Ohio. For the current fiscal year, Rollback tax credits are expected to total \$1,499,325 and Homestead credits are expected to total \$832,985.

The forecast assumptions in the revenue note assumes that the district will successfully renew the outstanding fixed rate levy prior to FY22.

*\*Projected % trends include renewal levies*

### 1.060 - All Other Operating Revenues

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	4,747,099	5,311,673	4,362,094	4,052,287	3,652,880	3,488,377
YOY \$ Change	(6,302)	564,574	(949,579)	(309,807)	(399,407)	(164,503)
YOY % Change	-0.1%	11.9%	-17.9%	-7.1%	-9.9%	-4.5%

Percentage of Total Revenue	10.5%	11.2%	9.4%	8.8%	8.0%	7.6%
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	2016	2017	2018	2019	2020	2021	2022	2023
Open Enrollment In Students	744	767	726	628	552	519	488	458
Open Enrollment In Revenue	\$ 4,356,983	\$ 4,555,561	\$ 4,306,732	\$ 3,739,746	\$ 3,334,080	\$ 3,147,007	\$ 2,970,380	\$ 2,803,620

Other operating revenue represents 10.6% of the district's overall general fund operating revenue and includes revenue received for tuition from other districts, student fees, fines and interest earnings, as well as, rental income and miscellaneous revenue.

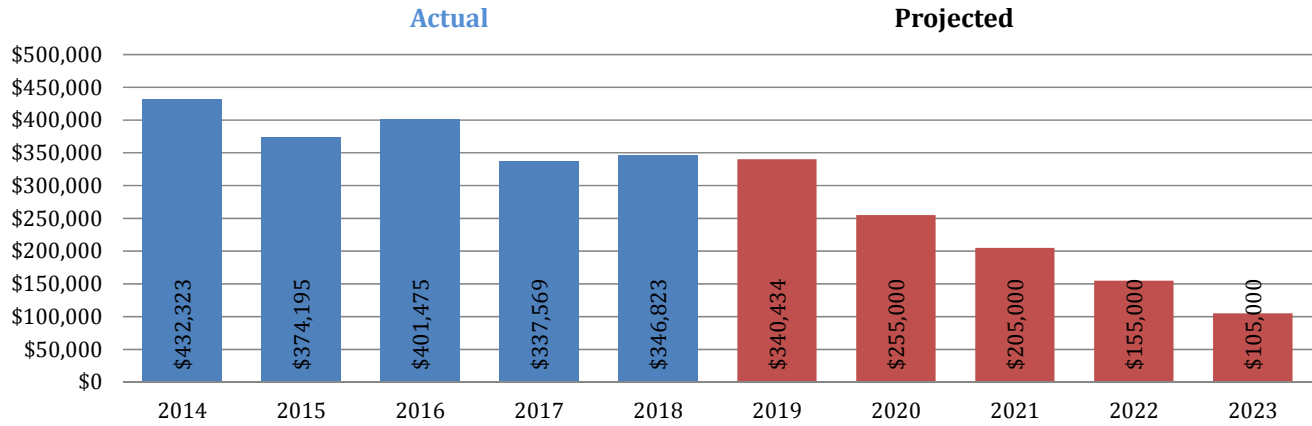
Tuition revenue represented 81% of all revenue receipts to the other operating revenue line during FY19, with the vast majority of the tuition revenue (\$3,739,746) being attributed to open enrollment students attending the district. This is a \$566,986 (13.2%) reduction from the prior fiscal year. Based on open enrollment applications that were received by the April 30th deadline for the next fiscal year, an additional reduction of \$405,666 (10.8%) is anticipated for FY19. The forecast projections for FY21 to FY23 include a 5.6% year-over-year decrease in open enrollment students, which will cause this revenue source to drop by an additional \$530,460 during the three year period. If more students choose not to attend or the district imposes further restrictions on the number of students permitted to open enroll into the district, this revenue line will decline further.

As a result of increasing interest rates and instituting a new cash flow investment program at the beginning of FY19, the district received a substantial increase in interest earnings during the fiscal year. During FY17, investment income only totaled \$20,504. By the end of FY18, interest from investment earnings totaled \$156,165. For the current fiscal year, total interest income is expected to exceed \$501,378. FY20 interest income levels are expected to drop to \$450,000 and continue to decline each year, as the district's cash balance begins to drop.

Beginning in FY19, the district started posting Medicaid refunds, which are estimated to total \$422,000 by the end of FY19, to the General Fund rather than the 599 fund. This included the receipt of a prior year settlement that has already been received and additional settlement of \$315,305 that is expected to be received in June. For FY20-FY23, annual Medicaid reimbursements of \$200,000 are expected annually.

## 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, such as, sale and loss of assets, and refund of prior year expenditures.



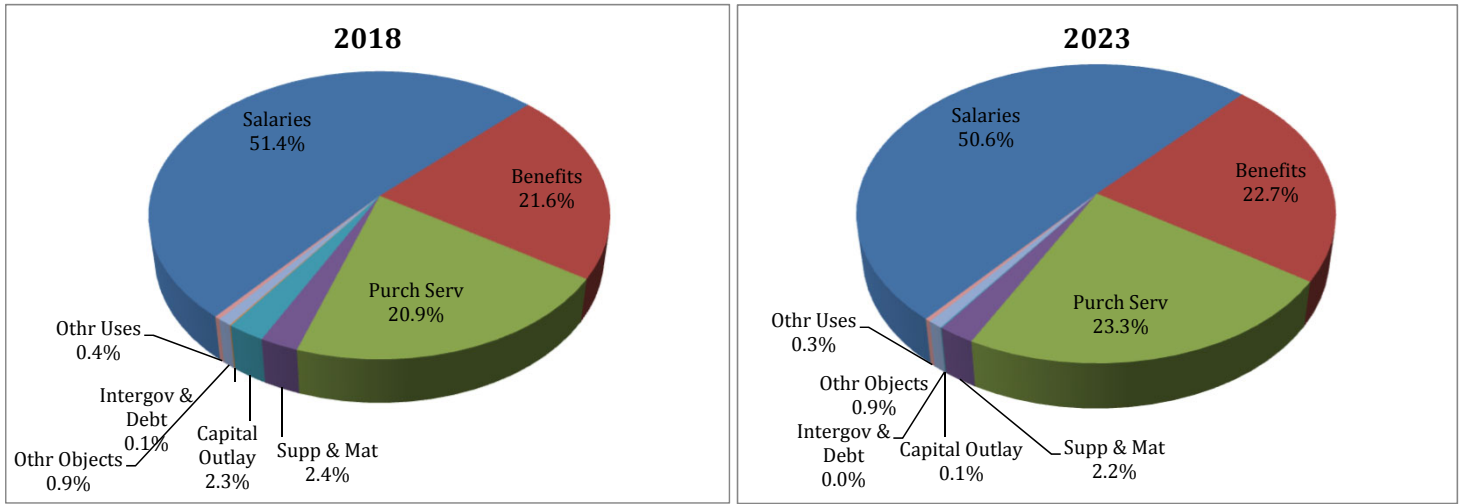
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	346,823	340,434	255,000	205,000	155,000	105,000
YOY \$ Change	9,254	(6,389)	(85,434)	(50,000)	(50,000)	(50,000)
YOY % Change	2.7%	-1.8%	-25.1%	-19.6%	-24.4%	-32.3%
Percentage of Total Revenue	0.8%	0.7%	0.6%	0.4%	0.3%	0.2%
Transfers In	-	-	-	-	-	-
Advances In	54,560	66,988	55,000	55,000	55,000	55,000

This revenue line item accounts for return of advances to the General Fund from the prior year, transfers from other funds and refunds of prior year expenses.

Depending on the year-end fund level of other funds, temporary advances can vary from year to year. For FY18, \$54,560 was returned from FY17 year-end advances. For FY18, this amount totaled \$66,988 in returns of FY17 year-end advances. Due to anticipated advances at the end of FY19-FY23, return of advances are projected at \$55,000 annually.

Historically, the district has received \$254,000 from various sources for refunds of prior year expenses. The majority of these refunds have been from the State Employee Retirement System (SERS) for retirement deductions through the state foundation that were in excess of the actual amount due. For FY19, refunds of prior year expenses are projected at \$273,000. For subsequent years, this amount is reduced down each year because the district anticipates that SERS salary estimates for future years will be more accurate in relation to actual amounts owed.

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



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
<b>Expenditures:</b>							
3.010-Salaries	0.69%	3.52%	0.56%	2.13%	2.52%	2.52%	2.25%
3.020-Benefits	4.58%	-3.70%	8.22%	4.46%	4.66%	4.68%	3.67%
3.030-Purchased Services	3.43%	19.71%	-3.18%	2.93%	2.96%	2.98%	5.08%
3.040-Supplies & Materials	7.55%	-13.24%	12.20%	2.05%	1.95%	2.30%	1.05%
3.050-Capital Outlay	125.33%	-146.95%	-107.29%	4.25%	5.46%	2.64%	-48.38%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	0.88%	-4.22%	-0.02%	0.00%	-83.33%	-100.00%	-37.52%
4.300-Other Objects	-2.45%	4.37%	4.79%	1.05%	1.05%	1.06%	2.46%
4.500-Total Expenditures	2.44%	1.45%	2.65%	2.81%	3.01%	3.08%	2.60%
5.040-Total Other Uses	6.68%	15.48%	-2.17%	-5.56%	0.00%	0.00%	1.55%
5.050-Total w/Other Uses	2.07%	1.50%	2.63%	2.78%	3.00%	3.07%	2.60%

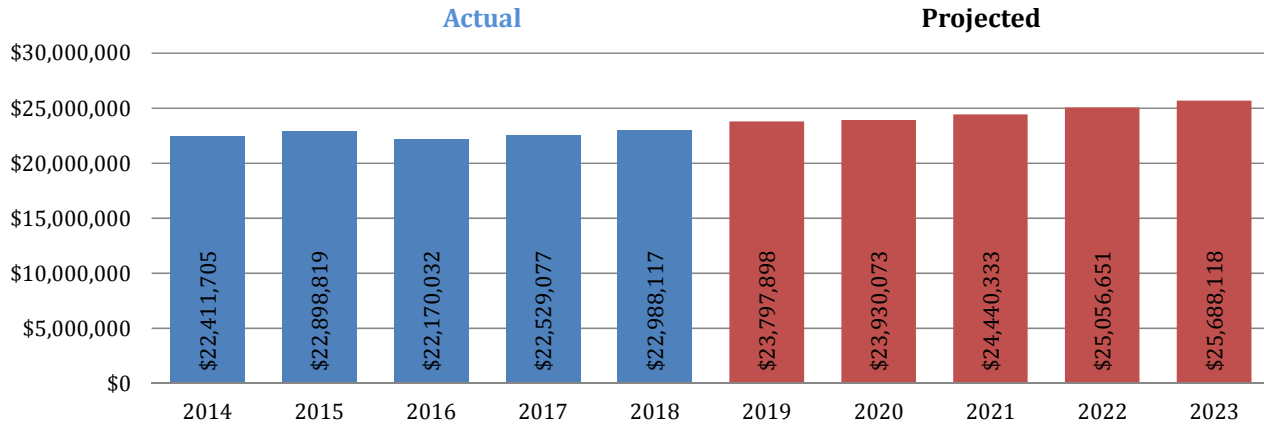
Over the past 5 years, the district has experienced an increase in operating expenditures of 2.44% annually. The largest portion of these increases were attributed mainly to increases in purchased service expenditures, employee benefits, and capital outlay expenditures.

The projected average increase in annual operating expenditures over the next five years is 2.60% annually. Increases in base salaries/employee progression on the salary schedule, increases in contracted services and tuition related costs, and higher healthcare premiums are the main contributors to the future projected increase in overall expenditures.

The following pages will outline each expenditure line assumption in the five year forecast.

### 3.010 - Personnel Services

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	22,988,117	23,797,898	23,930,073	24,440,333	25,056,651	25,688,118
YOY \$ Change	459,040	809,781	132,175	510,260	616,318	631,467
YOY % Change	2.0%	3.5%	0.6%	2.1%	2.5%	2.5%
Percentage of Total Budget	51.4%	52.5%	51.4%	51.1%	50.8%	50.6%

The district's salary related expenses are the largest expenditure category in the general fund, representing 52.4% of total expenditures.

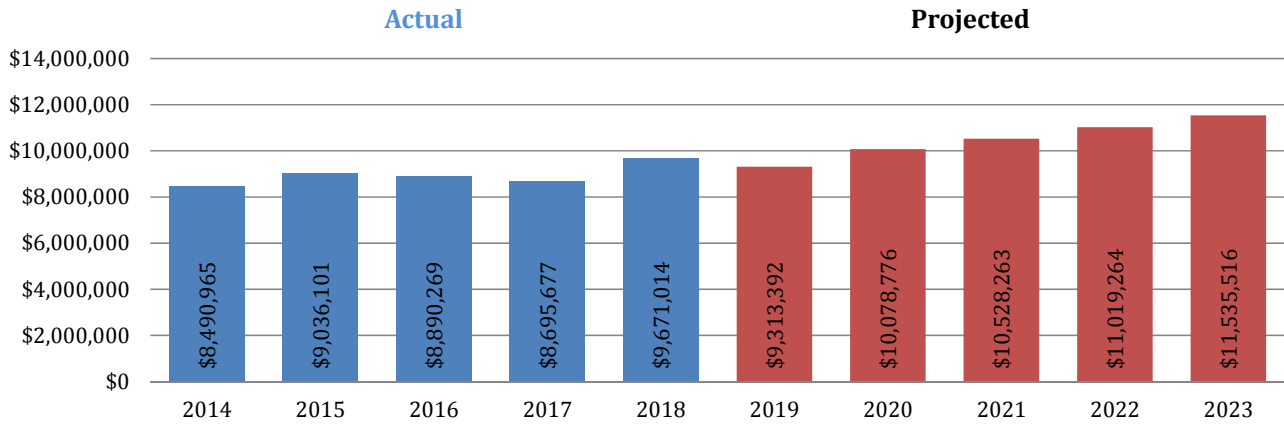
FY19 - FY21 salary projections include base salary increases that are aligned with the increases that were agreed upon in the collective bargaining agreements, as well as, increases in salaries due to staff members progression on various salary schedules. For FY22 and FY23, only increases for progression on the salary schedule were included in the forecast projections due to the financial outlook of the district.

During the spring of FY19, the district instituted a budget reduction plan. This plan included the reduction of 21 teaching positions through retirements and reductions in force totaling \$850,798. This reduction will impact FY20 and FY21 since 20 pay periods of the estimated savings are in FY20 and 4 are in FY21. An additional \$61,000 in savings is estimated from reductions in a part time positions.

Currently, no additional reductions in staffing are included in salary projections for future fiscal years.

### 3.020 - Employees' Benefits

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	9,671,014	9,313,392	10,078,776	10,528,263	11,019,264	11,535,516
YOY \$ Change	975,337	(357,622)	765,384	449,487	491,001	516,252
YOY % Change	11.2%	-3.7%	8.2%	4.5%	4.7%	4.7%
Percentage of Total Budget	21.6%	20.5%	21.6%	22.0%	22.4%	22.7%

Employees' benefits are the third largest expenditure category in the general fund and represented 20.8% of the overall budget for FY19.

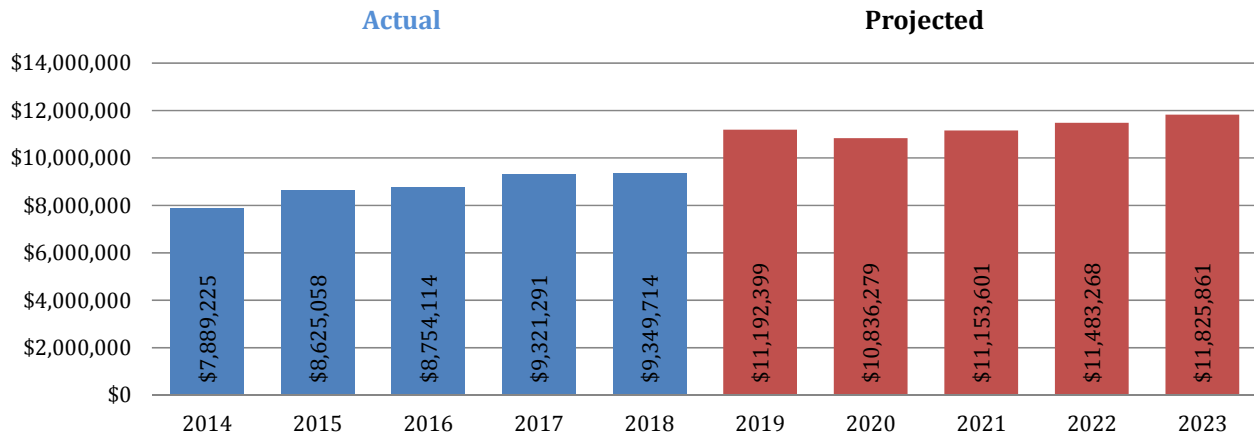
The district's medical insurance plan experienced medical premium increases of 5.4% in FY18 and an additional 6.85% in FY19. However, the district also had two premium holidays (two months without premium payments) during FY18 and three premium holidays for the current fiscal year. The Stark County Consortium has approved two premium holidays for FY20 and a 3.25% increase in the premiums. There have been fluctuations in the number of premium holidays granted in the previous fiscal years. Future fiscal year projections include a 6% increase in annual premiums and two premium holidays being granted in each fiscal year. Should the consortium grant one or less premium holidays in subsequent fiscal years, this expenditure line of the forecast would need to be adjusted accordingly.

No additional employee contributions toward healthcare premiums have been modeled for FY19-FY23.

Employees' benefits also include salary driven benefits such as retirement contributions, SERS surcharge expenses, workers' compensation, and Medicare expenses. For the current fiscal year, these expenses are projected to be 18.47% of total salary expenses and increase to 19.28% in future fiscal years. The reason for the lower percentage in the current fiscal year is the district charged the majority of the workers' compensation expenses to the 027 fund, due to the district posting previous workers' comp. refunds of prior year expenses to that fund, causing it to have a cash balance.

### 3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	9,349,714	11,192,399	10,836,279	11,153,601	11,483,268	11,825,861
YOY \$ Change	28,423	1,842,685	(356,120)	317,322	329,667	342,593
YOY % Change	0.3%	19.7%	-3.2%	2.9%	3.0%	3.0%

Percentage of Total Budget	20.9%	24.7%	23.3%	23.3%	23.3%	23.3%
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	2016	2017	2018	2019	2020	2021	2022	2023
Open Enrollment Out Students	326	359	371	425	446	468	492	516
Open Enrollment Out Expenses	\$ 1,900,807	\$ 2,142,136	\$ 2,208,941	\$ 2,563,162	\$ 2,699,304	\$ 2,857,693	\$ 3,025,173	\$ 3,202,256

Beginning in FY19, purchased service expenses became the district's second largest expenditure. One reason for the large increase in purchased service expenditures between FY18 and FY19 is beginning in FY19 the district started charging STEM and scholarship tuition expenses to the purchased service expense line item rather than as a reduction of expense. This increased purchased service expenses for the current fiscal year by over \$1.1 million.

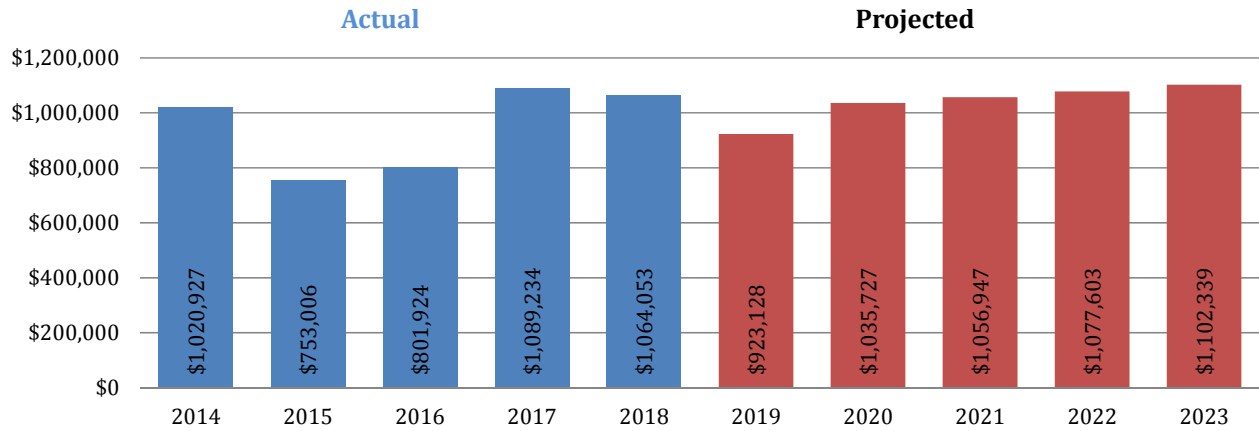
Tuition costs associated with students opting to open enroll into other school districts has experienced the largest year-over-year increase in during FY19, increasing 16% or \$354,000. For future fiscal years, a 5.9% year-over-year increase in students opting to open enroll in other school districts has been projected. This will cause the district's open enrollment expenses to increase by an additional \$639,000 by FY23 with more than 12% of the resident students choosing open enrollment.

The district's largest purchased service expenditure is Mahoning County ESC contracted services, totaling more than \$3,124,775 in FY19 or 28% of all purchased services. These contracted services includes psychologists, to/pt, special education preschool, communications, and staff development. The district also utilizes the Mahoning Valley Council of Governments to provide staffing services. Due to increased service contracts with this group, FY19 other professional and technical services increased by \$240,000.

As part of the budget reduction plan for FY20, the district is planning on reducing purchased services by \$598,000. This includes bringing the regular ed preschool inhouse, rolling back ESC contracted services by \$240,000, reducing C.O.G. purchased services, AmeriCorps tutors and other services.

### 3.040 - Supplies & Materials

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,064,053	923,128	1,035,727	1,056,947	1,077,603	1,102,339
YOY \$ Change	(25,181)	(140,925)	112,599	21,220	20,656	24,736
YOY % Change	-2.3%	-13.2%	12.2%	2.0%	2.0%	2.3%
Percentage of Total Budget	2.4%	2.0%	2.2%	2.2%	2.2%	2.2%

Supply costs represent 2% of the district's overall budget. Included in this expense line item is general office supplies, instructional supplies, health supplies, custodial/maintenance supplies and transportation supplies, including fuel for buses.

Instructional/general supplies, including textbooks and workbooks, represents more than half of overall supply expenditures. During FY17, the district increased instructional and general supply costs by 79.1%, going from \$280,026 in FY16 to \$501,425 in FY17. For FY18, there was a 10.8% reduction in these expenditures. For FY19, the expenditure level of instructional and general supplies dropped to 381,365. FY20 is set at \$425,000, with inflationary growth increases projected each year thereafter.

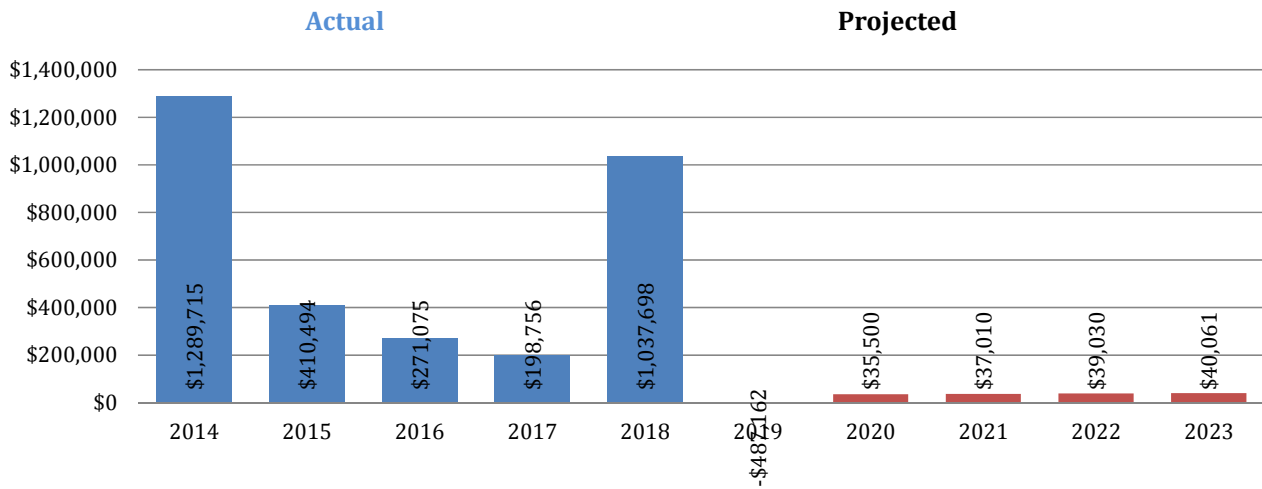
Custodial/Maintenance supplies totaled \$250,000 in FY18 and is expected to drop to \$229,795 in FY19. The district has budgeted a 2% annual increase for FY20 - FY23 for these expenditures.

Transportation supplies, including bus fuel, has been relatively flat for the last three years. However, due to an aging bus fleet and increasing fuel costs, a 7.7% (\$22,000) increase has been budgeted for FY20. Future fiscal year projections include a 2% increase for inflationary growth.



### 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.



	2018	2019	2020	2021	2022	2023
Total	1,037,698	(487,162)	35,500	37,010	39,030	40,061
YOY \$ Change	838,942	(1,524,860)	522,662	1,510	2,020	1,031
YOY % Change	422.1%	-146.9%	-107.3%	4.3%	5.5%	2.6%
Percentage of Total Budget	2.3%	-1.1%	0.1%	0.1%	0.1%	0.1%

The capital outlay expense category represents buses, equipment, building improvements and grounds improvements with a useful life of more than five years.

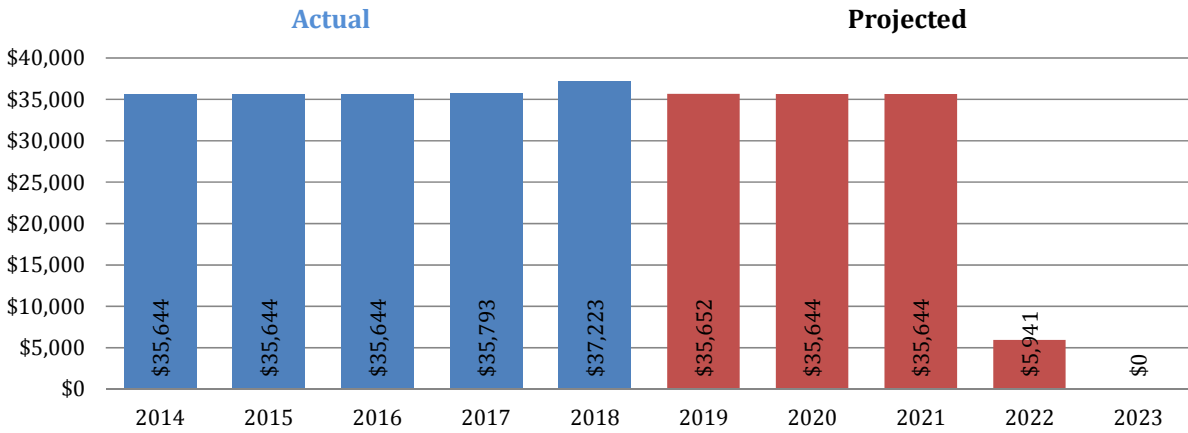
The district added a considerable amount of projects to this expense line during FY18. These projects included an energy conservation project that the district funded through a lease purchase program. During FY18, the district charged the expenditures for this program to the General Fund capital outlay expense line even though the project was funded through a separate funding source. The district received the revenue proceeds from the bank that financed the project in FY19, which will result in FY19 total capital outlay expenditures being a negative amount.

During FY18, the district also expended \$156,000 on technology related equipment, \$169,500 on replacement equipment, \$59,670 on land acquisitions and \$131,000 on improvements to grounds.

For FY19-FY23, the district will be utilizing the 070 and 003 P.I. accounts to fund major capital outlay projects in the district. Therefore, only a minimal amount of capital outlay expenditures have been budgeted in the General Fund.

### 3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

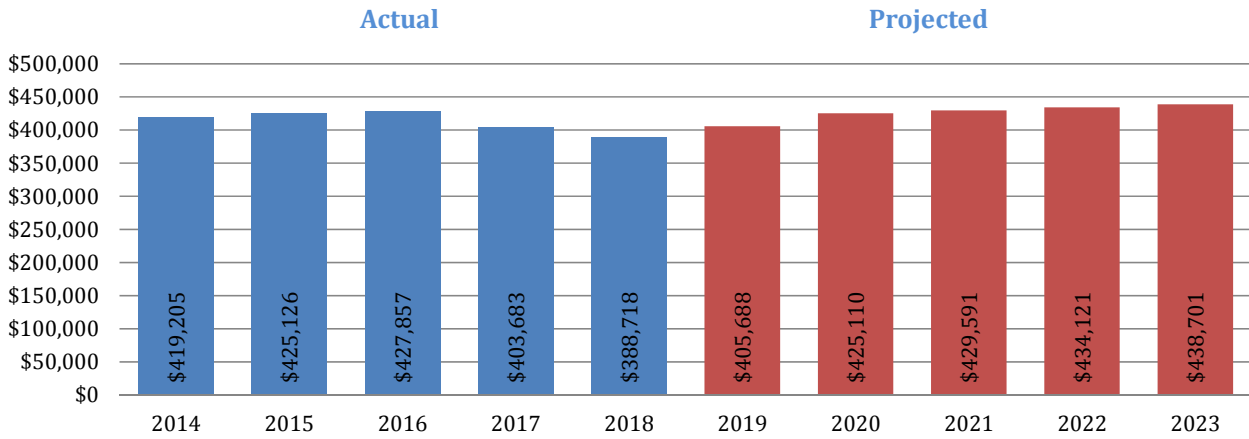


	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	37,223	35,652	35,644	35,644	5,941	-
YOY \$ Change	1,430	(1,571)	(8)	-	(29,703)	(5,941)
YOY % Change	4.0%	-4.2%	0.0%	0.0%	-83.3%	-100.0%
Percentage of Total Budget	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%

The expenses in this forecast line are used to account for the district's 2006 House Bill 264 loan. This loan will be paid off in FY2022.

### 4.300 - Other Objects

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	388,718	405,688	425,110	429,591	434,121	438,701
YOY \$ Change	(14,965)	16,970	19,422	4,481	4,530	4,580
YOY % Change	-3.7%	4.4%	4.8%	1.1%	1.1%	1.1%
Percentage of Total Budget	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%

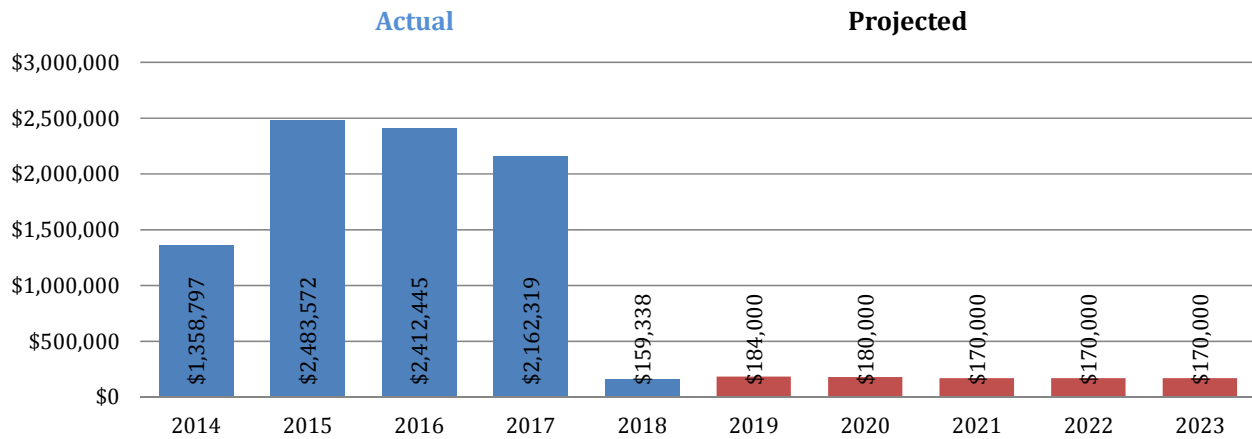
Other Object expenses represent .9% of the overall general fund budget. County Auditor and Treasurer fees, annual audit costs, bank charges and districtwide dues and fees are charged out of this expense line item.

County Auditor and Treasurer fees represent 80% of this expense line.

For future fiscal years, 2019 was used as a baseline for expenditure projections. Each year, inflationary growth of approximately 1.1% was added to the annual expenditure level.

### 5.040 - Total Other Financing Uses

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	159,338	184,000	180,000	170,000	170,000	170,000
YOY \$ Change	(2,002,981)	24,662	(4,000)	(10,000)	-	-
YOY % Change	-92.6%	15.5%	-2.2%	-5.6%	0.0%	0.0%
<b>Percentage of Total Budget</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>
Transfers Out	92,350	129,000	125,000	115,000	115,000	115,000
Advances Out	66,988	55,000	55,000	55,000	55,000	55,000

This expenditure line accounts for transfers out of the General Fund to other funds and year-end advances to other funds.

Prior to FY18, the district transferred large amounts of general fund revenue to the 070 capital improvement fund to budget for long-term capital projects.

Beginning in FY18, the only transfers that were made were for funds that had a year end cash deficit that the district did not believe would be able to be repaid. The largest fund with a cash deficit was the athletic fund which ended the year with a \$67,500 cash deficit.

For FY19, the athletic fund is expected to have \$65,000 transferred into in by the fiscal year-end, \$60,000 for ACTV and an additional \$4,000 for the Purple Star Room.

For FY20-FY23, \$65,000 in year-end transfers has been allocated for athletics and an additional \$50,000 for the ACTV program. An additional \$55,000 has been budgeted for year-end advances.

## Austintown Local Schools

### Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	15,688,325	15,804,809	15,840,993	15,917,924	13,910,505	11,871,065
1.020 - Public Utility Personal Property	1,008,101	1,067,230	1,101,162	1,152,715	1,060,643	963,690
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	20,382,039	21,541,591	21,519,061	21,520,395	21,518,424	21,557,753
1.040 - Restricted Grants-in-Aid	680,543	888,336	880,744	872,720	871,290	867,645
1.050 - Property Tax Allocation	2,347,468	2,332,310	2,336,838	2,343,710	2,031,995	1,716,850
1.060 - All Other Operating Revenues	4,747,099	5,311,673	4,362,094	4,052,287	3,652,880	3,488,377
<b>1.070 - Total Revenue</b>	<b>44,853,574</b>	<b>46,945,949</b>	<b>46,040,892</b>	<b>45,859,751</b>	<b>43,045,737</b>	<b>40,465,380</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	54,560	66,988	55,000	55,000	55,000	55,000
2.060 - All Other Financing Sources	292,263	273,446	200,000	150,000	100,000	50,000
<b>2.070 - Total Other Financing Sources</b>	<b>346,823</b>	<b>340,434</b>	<b>255,000</b>	<b>205,000</b>	<b>155,000</b>	<b>105,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>45,200,397</b>	<b>47,286,383</b>	<b>46,295,892</b>	<b>46,064,751</b>	<b>43,200,737</b>	<b>40,570,380</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	22,988,117	23,797,898	23,930,073	24,440,333	25,056,651	25,688,118
3.020 - Employee Benefits	9,671,014	9,313,392	10,078,776	10,528,263	11,019,264	11,535,516
3.030 - Purchased Services	9,349,714	11,192,399	10,836,279	11,153,601	11,483,268	11,825,861
3.040 - Supplies and Materials	1,064,053	923,128	1,035,727	1,056,947	1,077,603	1,102,339
3.050 - Capital Outlay	1,037,698	(487,162)	35,500	37,010	39,030	40,061
Intergovernmental & Debt Service	37,223	35,652	35,644	35,644	5,941	-
4.300 - Other Objects	388,718	405,688	425,110	429,591	434,121	438,701
<b>4.500 - Total Expenditures</b>	<b>44,536,538</b>	<b>45,180,995</b>	<b>46,377,109</b>	<b>47,681,389</b>	<b>49,115,878</b>	<b>50,630,596</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	92,350	129,000	125,000	115,000	115,000	115,000
5.020 - Advances-Out	66,988	55,000	55,000	55,000	55,000	55,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>159,338</b>	<b>184,000</b>	<b>180,000</b>	<b>170,000</b>	<b>170,000</b>	<b>170,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>44,695,876</b>	<b>45,364,995</b>	<b>46,557,109</b>	<b>47,851,389</b>	<b>49,285,878</b>	<b>50,800,596</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>504,521</b>	<b>1,921,388</b>	<b>(261,217)</b>	<b>(1,786,638)</b>	<b>(6,085,141)</b>	<b>(10,230,216)</b>
7.010 - Cash Balance July 1 (No Levies)	8,309,168	8,813,689	10,735,077	10,473,860	8,687,222	2,602,081
7.020 - Cash Balance June 30 (No Levies)	8,813,689	10,735,077	10,473,860	8,687,222	2,602,081	(7,628,135)
		Reservations				
8.010 - Estimated Encumbrances June 30	2,539,802	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>6,273,887</b>	<b>10,735,077</b>	<b>10,473,860</b>	<b>8,687,222</b>	<b>2,602,081</b>	<b>(7,628,135)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	2,531,057	5,074,165
11.030 - Cumulative Balance of Levies	-	-	-	-	2,531,057	7,605,222
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>6,273,887</b>	<b>10,735,077</b>	<b>10,473,860</b>	<b>8,687,222</b>	<b>5,133,138</b>	<b>(22,914)</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>6,273,887</b>	<b>10,735,077</b>	<b>10,473,860</b>	<b>8,687,222</b>	<b>5,133,138</b>	<b>(22,914)</b>