



Austintown Local School District

Five Year Forecast Financial Report

May, 2020

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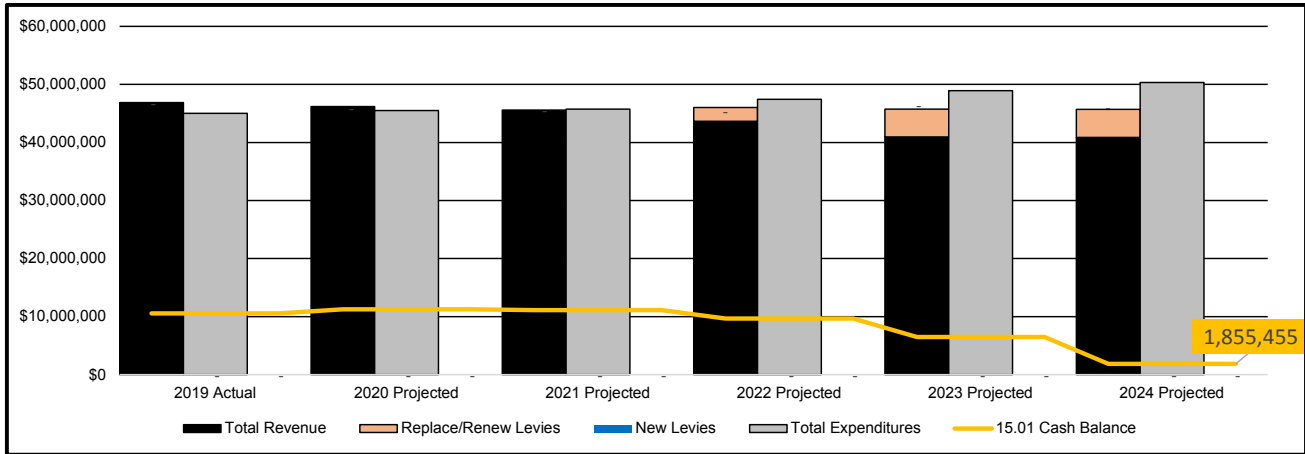
Forecast Purpose/Objectives

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



Note: Cash balance includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	10,557,690	11,256,052	11,095,302	9,683,961	6,476,080
+ Revenue	46,203,461	45,564,989	43,644,649	40,937,937	40,886,841
+ Proposed Renew/Replacement Levies	-	-	2,391,287	4,789,721	4,803,916
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(45,505,098)	(45,725,739)	(47,447,277)	(48,935,539)	(50,311,382)
= Revenue Surplus or Deficit	698,362	(160,750)	(1,411,341)	(3,207,882)	(4,620,624)
Ending Balance with renewal levies	11,256,052	11,095,302	9,683,961	6,476,080	1,855,455
Note: Not Reduced for Encumbrances					

Analysis Without Renewal Levies Included:

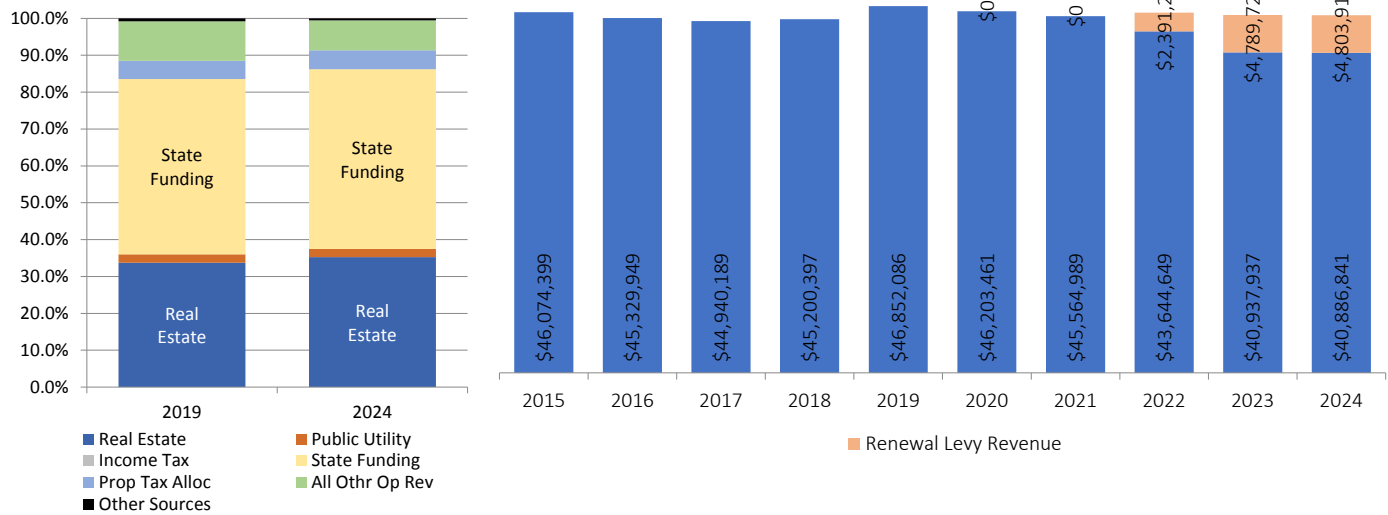
Revenue Surplus or Deficit w/o Levies	698,362	(160,750)	(3,802,628)	(7,997,603)	(9,424,540)
Ending Balance w/o Levies	11,256,052	11,095,302	7,292,674	(704,928)	(10,129,469)

In FY 2020 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$698,362 in FY 2020. By the last year of the forecast, FY 2024, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$9,424,540. The district would need to cut its FY 2024 projected expenses by 20.63% in order to balance its budget without additional revenue.

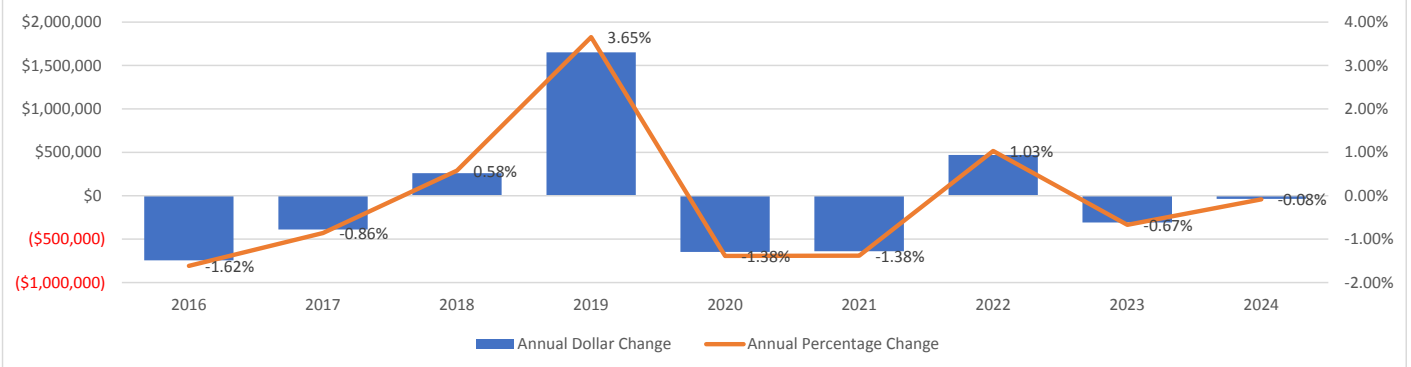
The district's cash balance is positive at year-end in FY 2020 and is projected to worsen by FY 2024. A worsening cash balance can erode the district's financial stability over time.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



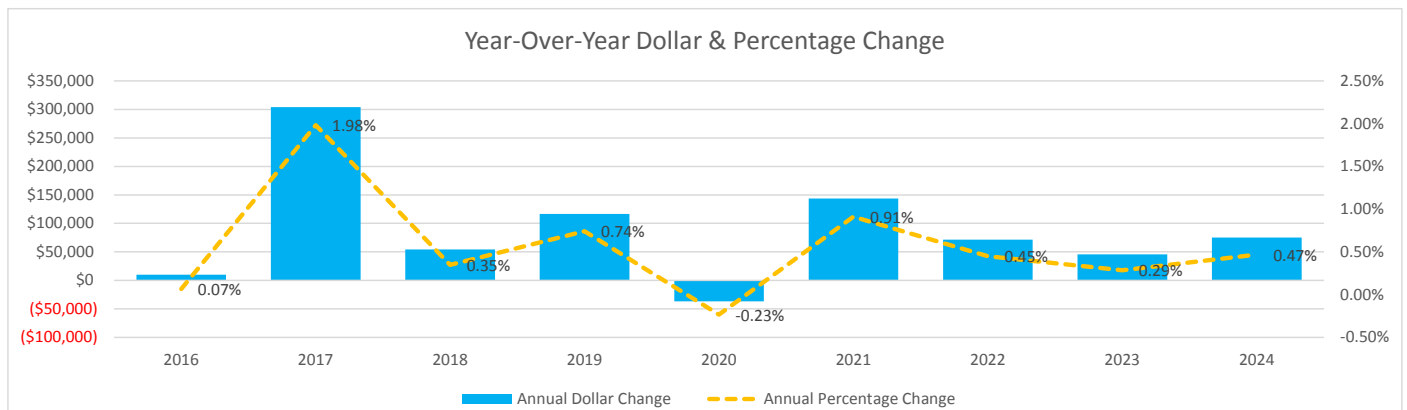
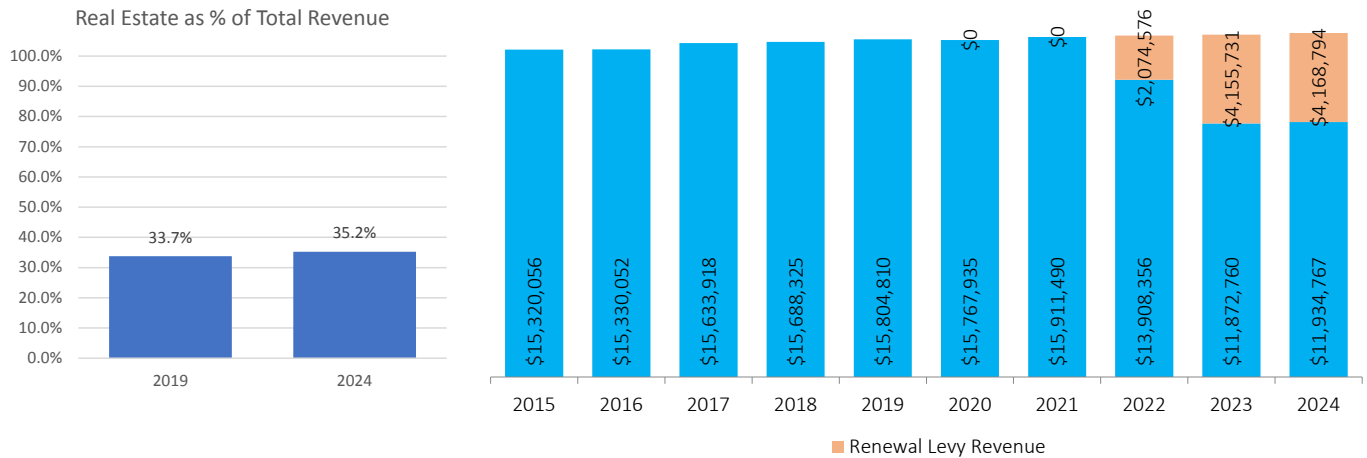
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Real Estate	\$158,253	\$59,750	(\$98,502)	Total revenue increased 1.12% or \$507,379 annually during the past five years and is projected to decrease -0.50% or -\$232,266 annually through FY2024. All Othr Op Rev has the most projected average annual variance compared to the historical average at -\$397,753
Public Utility	(\$5,623)	(\$8,775)	(\$3,152)	
Income Tax	\$0	\$0	\$0	
State Funding	\$227,245	(\$0)	(\$227,245)	
Prop Tax Alloc	(\$17,408)	\$5,191	\$22,599	
All Othr Op Rev	\$135,102	(\$262,651)	(\$397,753)	
Other Sources	\$9,811	(\$25,781)	(\$35,592)	
Total Average Annual Change	\$507,379	(\$232,266)	(\$739,645)	
	1.12%	-0.50%	-1.62%	

Note: Expenditure average annual change is projected to be > \$1,061,256. On an annual average basis, expenditures are projected to grow faster than revenue.

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).



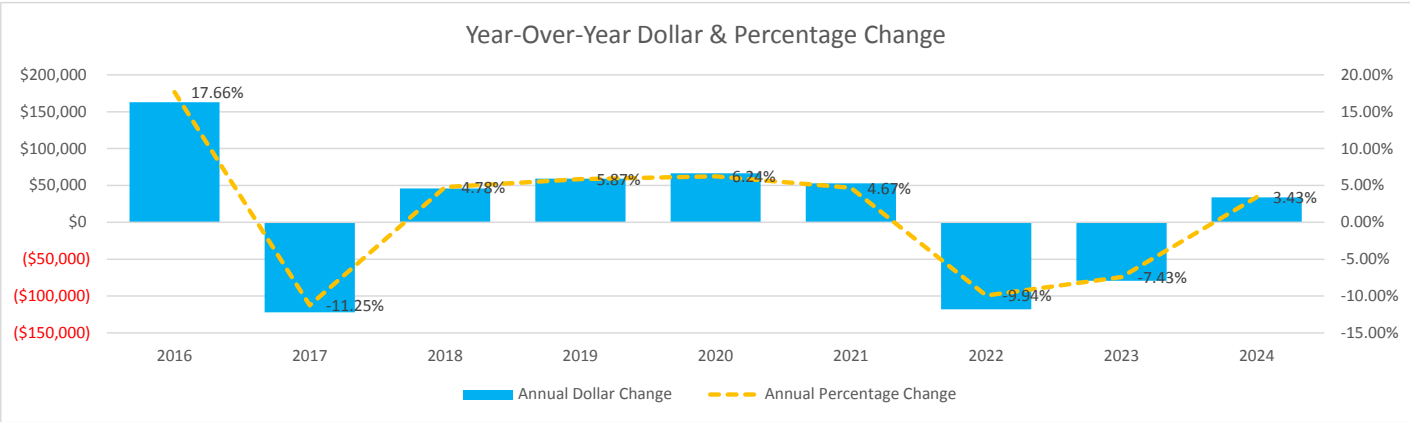
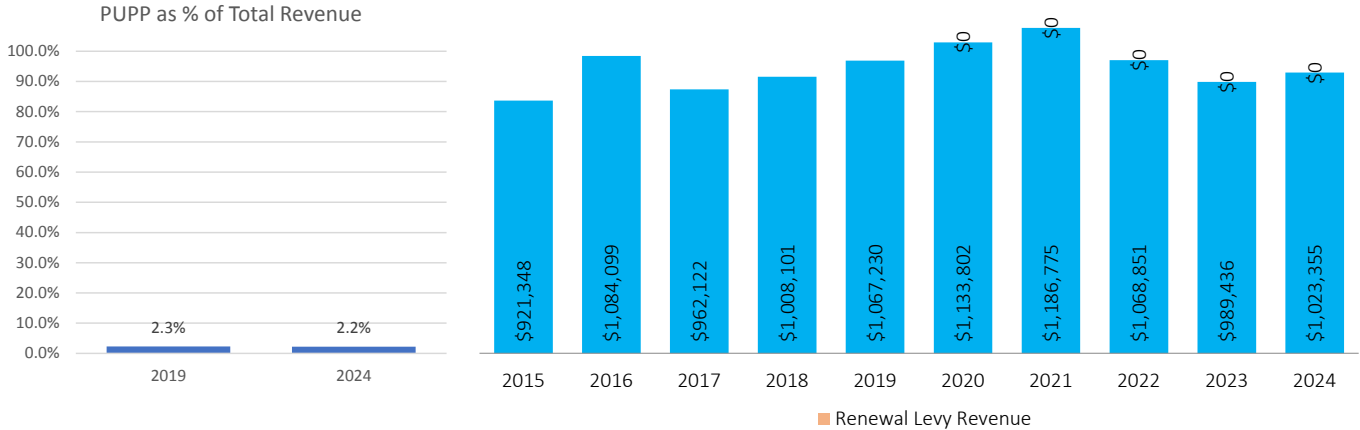
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	595,990,520	603,650	29.32	-	33.50	-	100.0%
2019	596,150,840	160,320	29.33	0.00	33.48	(0.02)	99.9%
2020	606,425,840	10,275,000	29.09	(0.24)	32.87	(0.62)	99.9%
2021	607,250,840	825,000	29.10	0.01	32.97	0.11	99.9%
2022	608,075,840	825,000	29.11	0.01	33.08	0.11	99.9%
2023	618,850,840	10,775,000	28.83	(0.29)	32.56	(0.52)	99.9%

Real estate property tax revenue accounts for 33.73% of total revenue. Class I or residential/agricultural taxes make up approximately 64.59% of the real estate property tax revenue. The Class I tax rate is 29.33 mills in tax year 2019. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.9% annually through tax year 2023. The revenue changed at an average annual historical rate of 1.02% and is projected to change at an average annual rate of 0.38% through FY 2024.

*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.



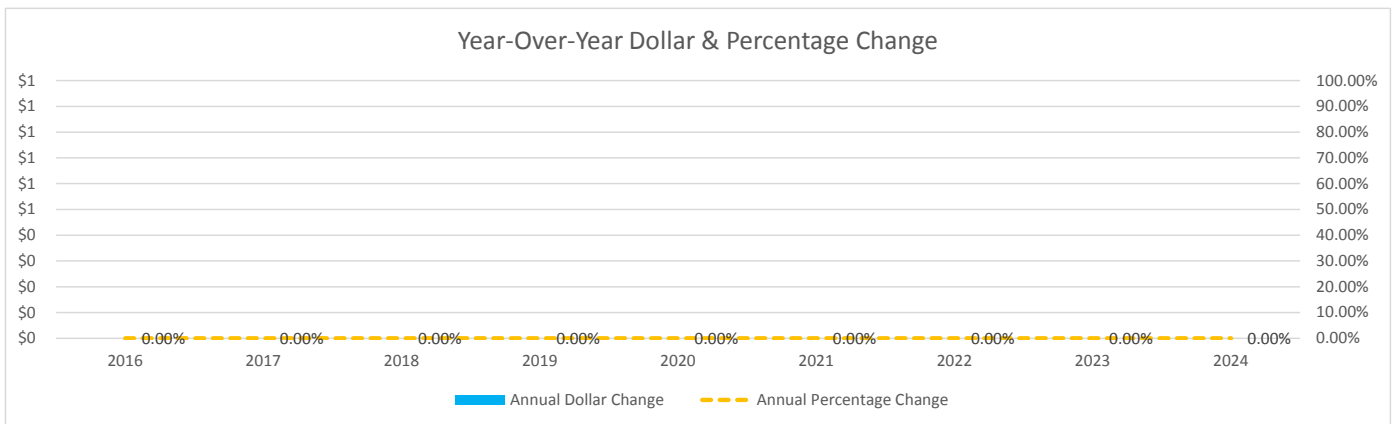
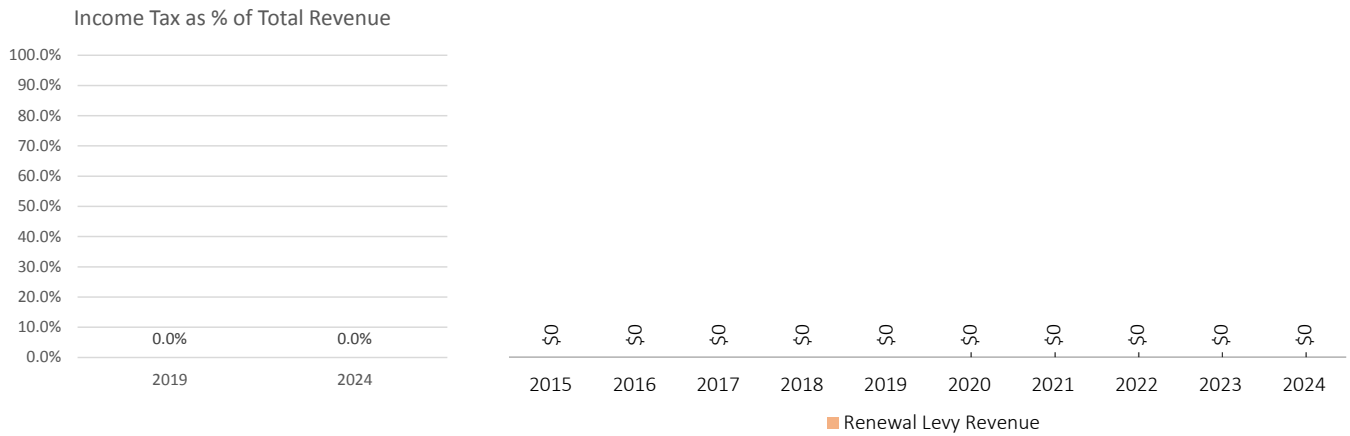
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	19,854,550	1,056,610	54.60	-	100.0%
2019	21,273,160	1,418,610	54.60	0.00	100.0%
2020	22,073,160	800,000	54.60	(0.00)	100.0%
2021	22,873,160	800,000	42.40	(12.20)	100.0%
2022	23,673,160	800,000	42.40	-	100.0%
2023	24,473,160	800,000	42.40	-	100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 2.28% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2019 is 54.6 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of -\$5,623 and is projected to change at an average annual dollar amount of -\$8,775 through FY 2024.

*Projected % trends include renewal levies

1.030 - No 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.

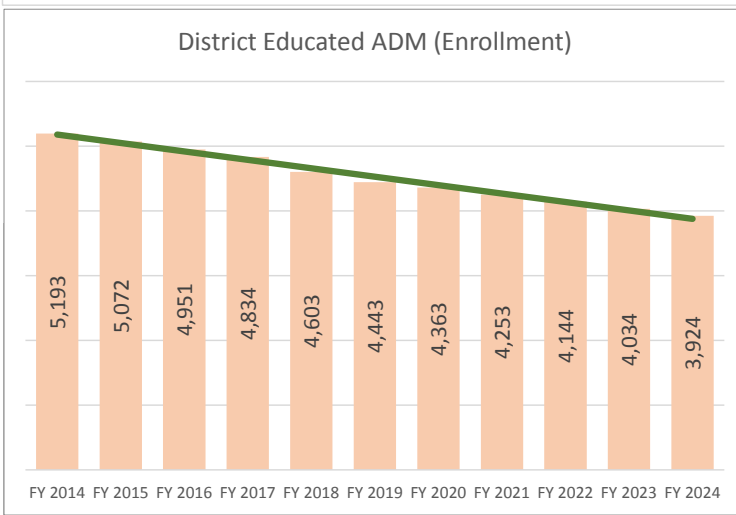
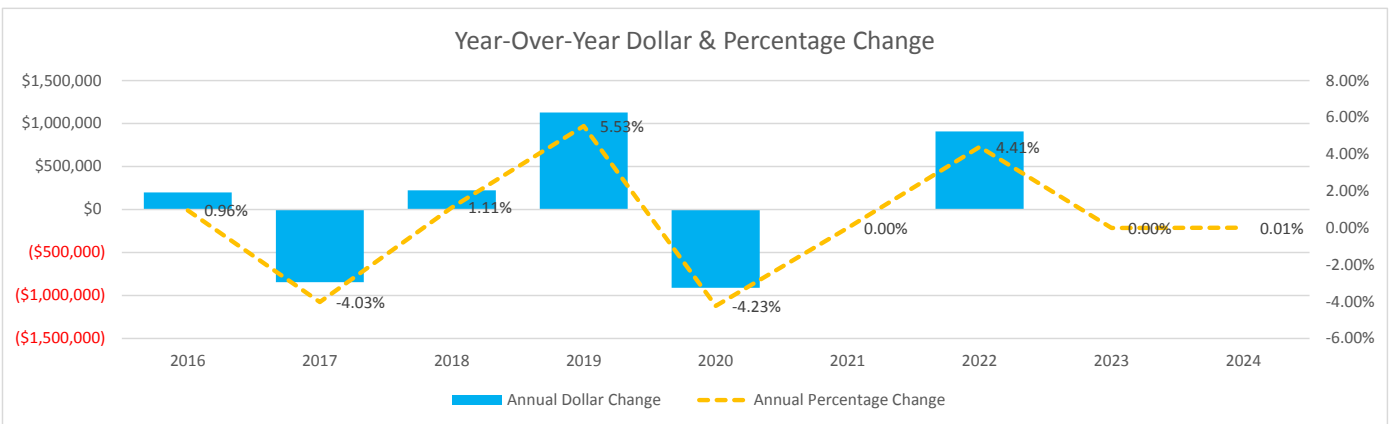
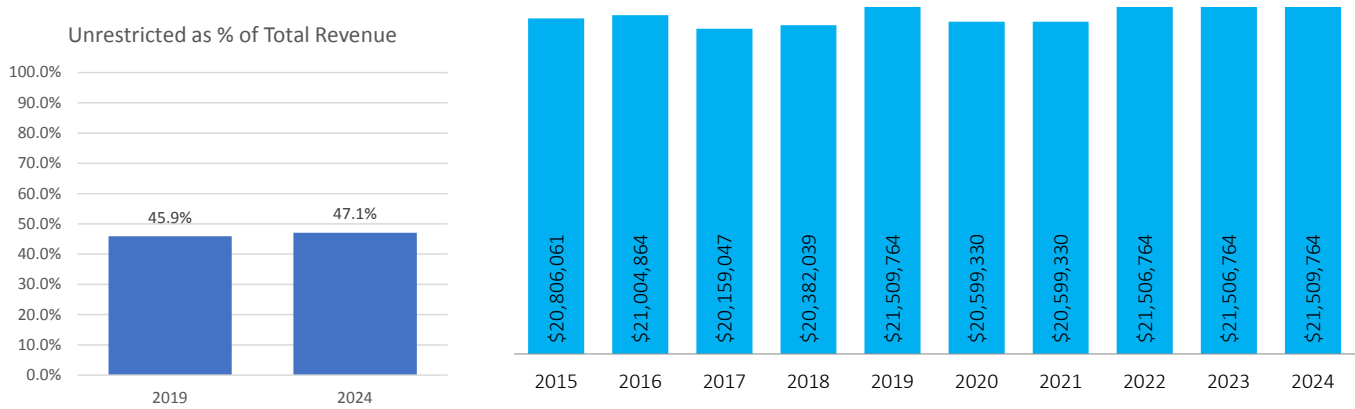


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

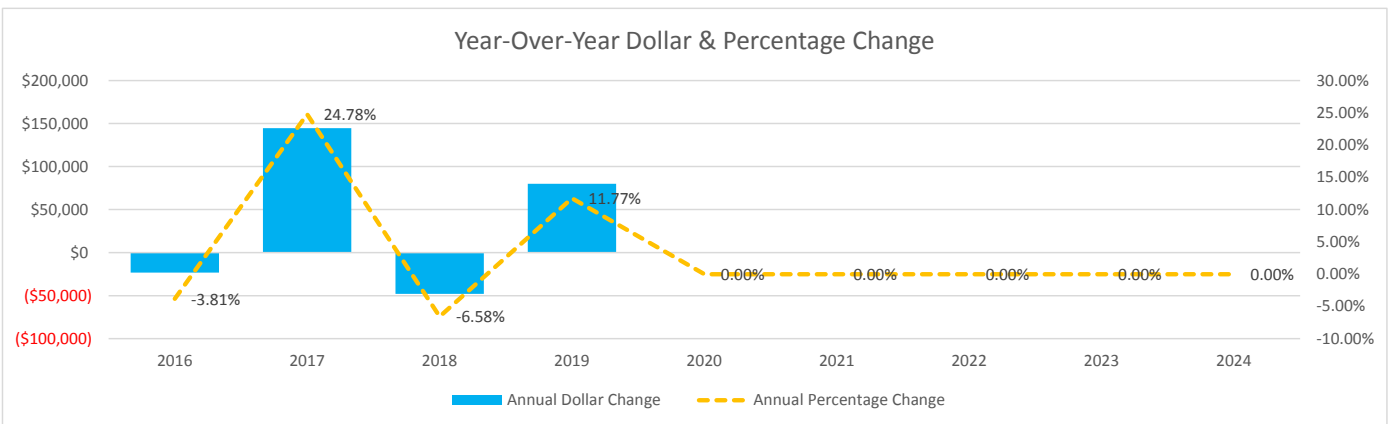
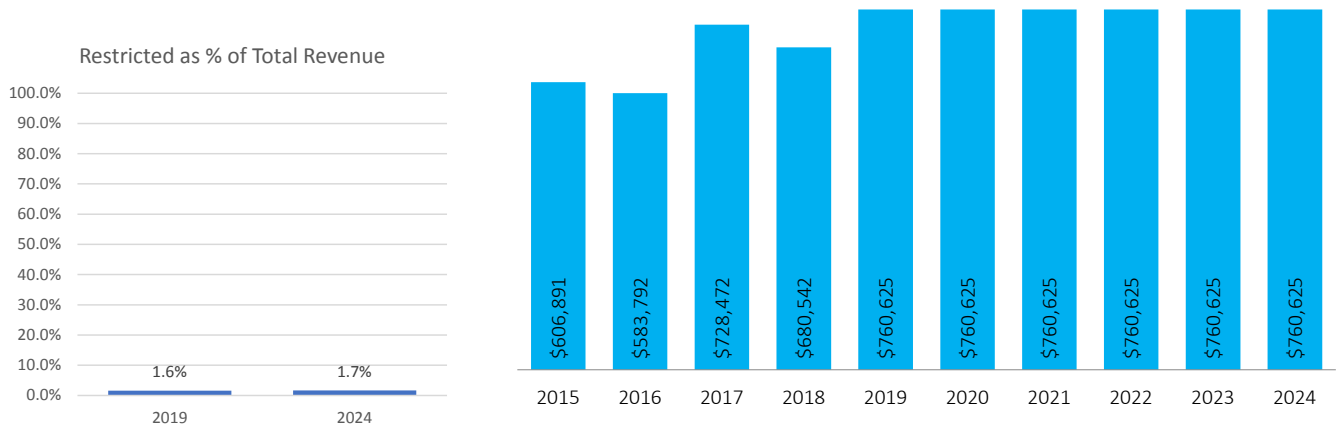
Funds received through the State Foundation Program with no restriction.



The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2020. In addition to its FY 2020 base funding amount of \$20,946,751 the district is projected to receive FY 2020 categorical funding of \$912,580. Wellness dollars included in this amount are recorded in a special revenue fund and not included in this forecast. The district has the option to move some expenditures from the general fund to the special revenue fund receiving these dollars. For fiscal year 2022 - 2024, the district is projecting an average annual increase of 1.5%

1.040 & 1.045 - Restricted Grants-in-Aid

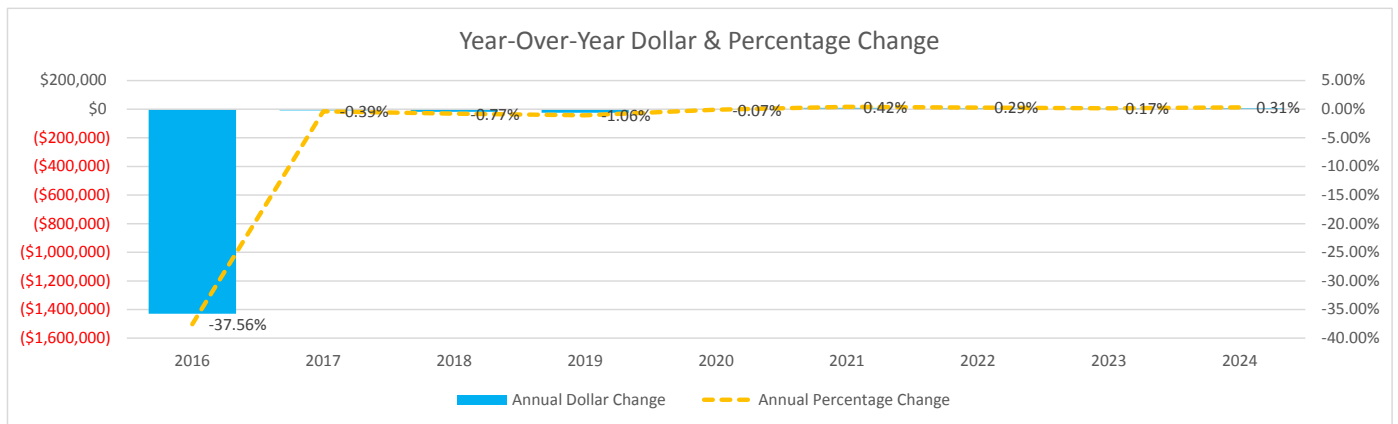
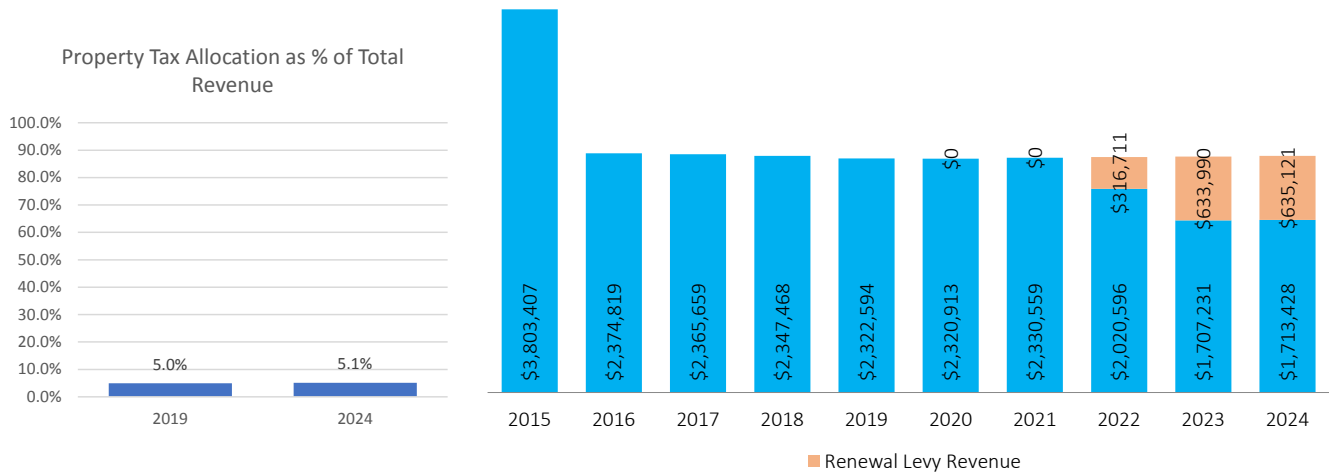
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$58,945 and is projected to change annually on average by \$. Restricted funds represent 1.62% of total revenue.

1.050 - Property Tax Allocation

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

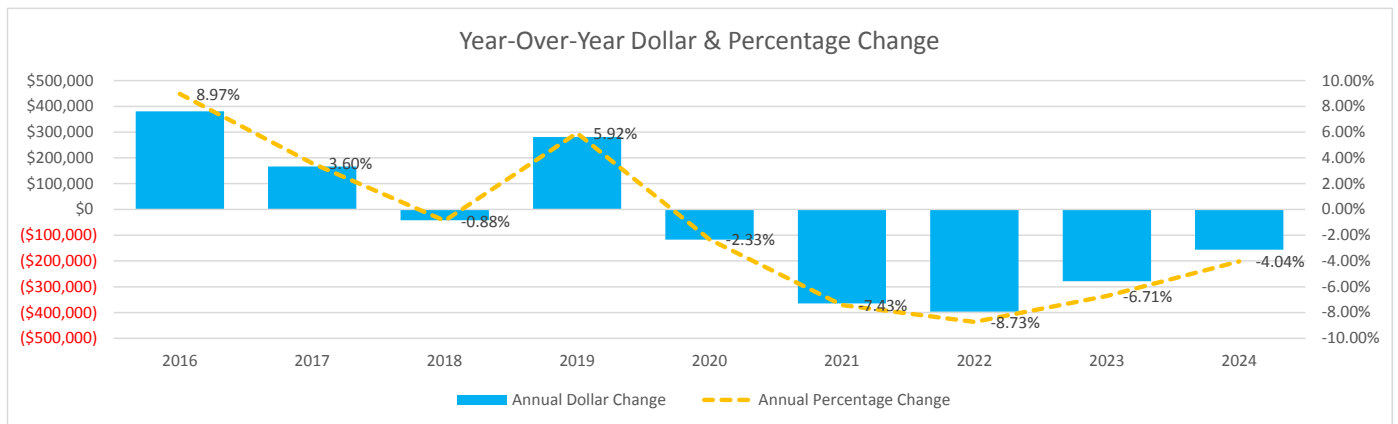
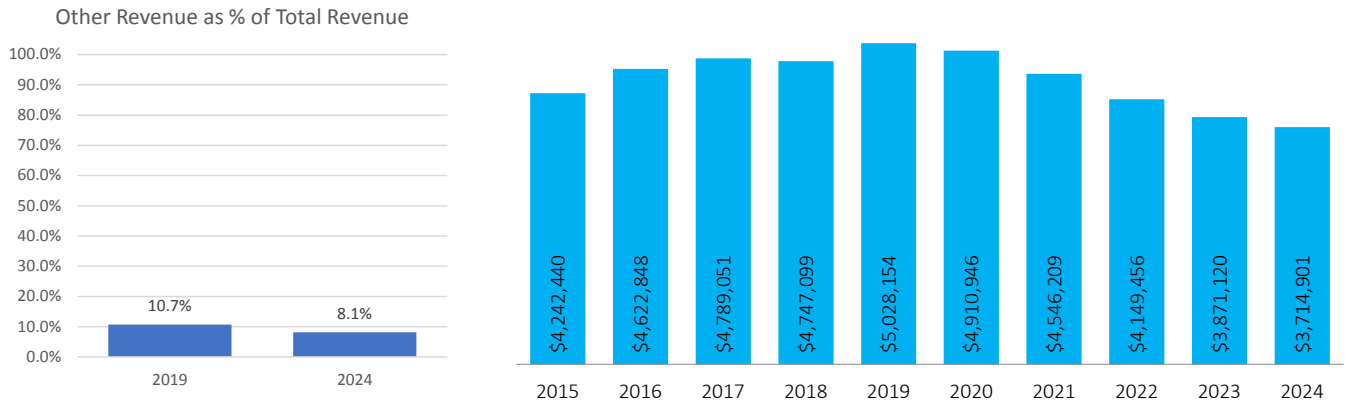


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2020, approximately 12.1% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 6.6% will be reimbursed in the form of qualifying homestead exemption credits.

**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

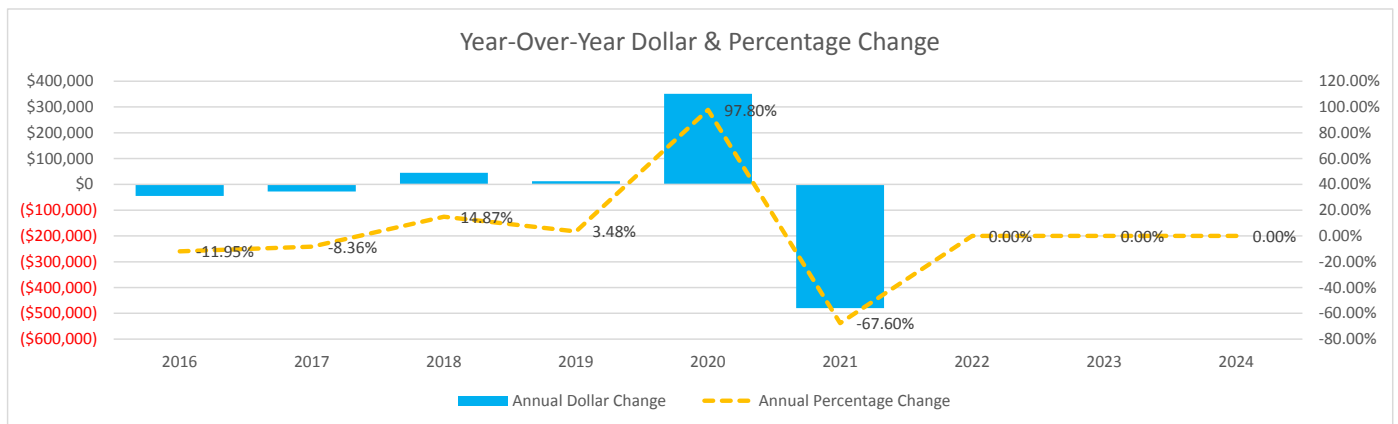
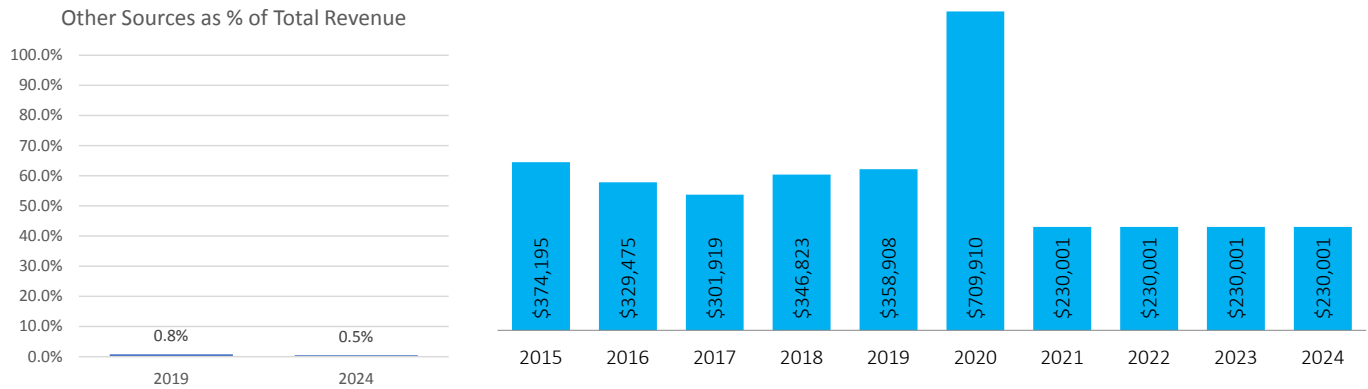
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$135,102. The projected average annual change is -\$262,651 through FY 2024.

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.

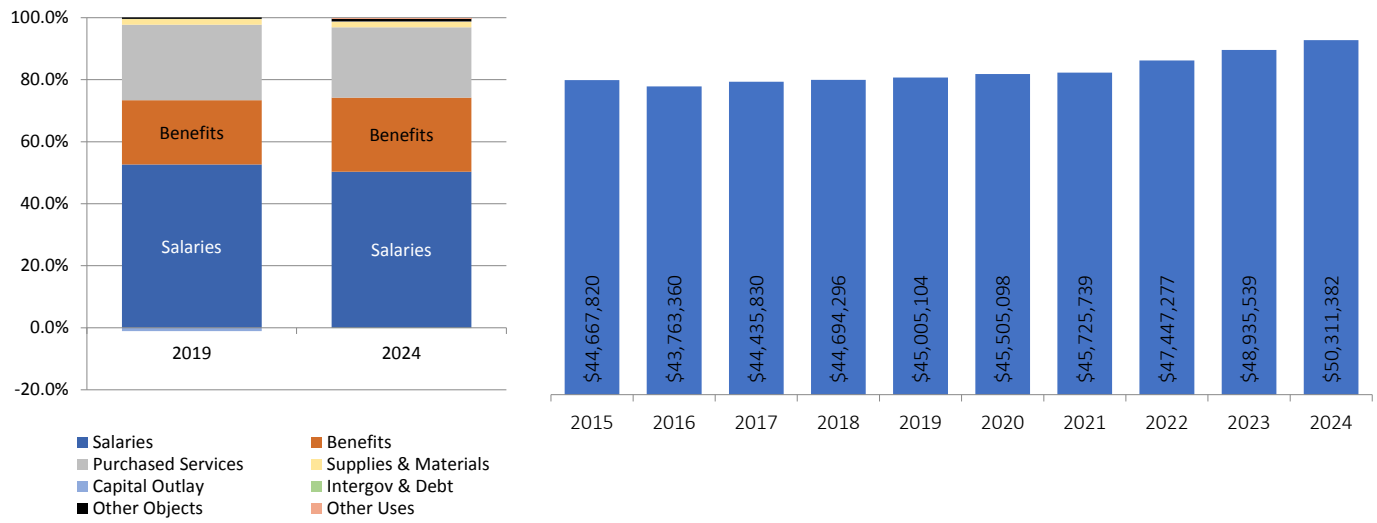


	2019	2020	2021	FORECASTED		
				2022	2023	2024
Transfers In	-	-	-	-	-	-
Advances In	66,988	14,370	55,000	55,000	55,000	55,000
All Other Financing Sources	291,920	695,540	175,001	175,001	175,001	175,001

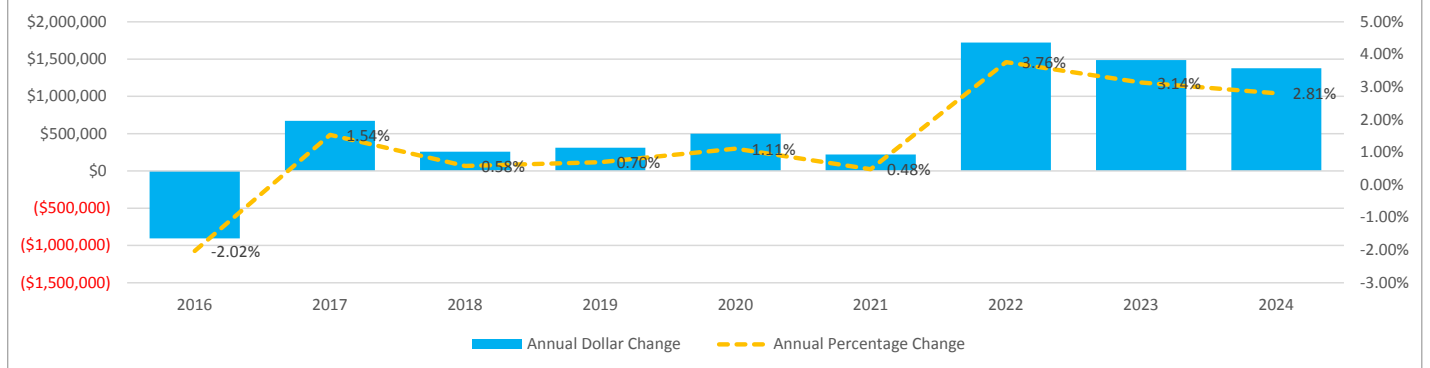
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2019 the district received \$66,988 as advances-in and is projecting advances of \$14,370 in FY 2020. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$695,540 in FY 2020 and average \$175,001 annually through FY 2024.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



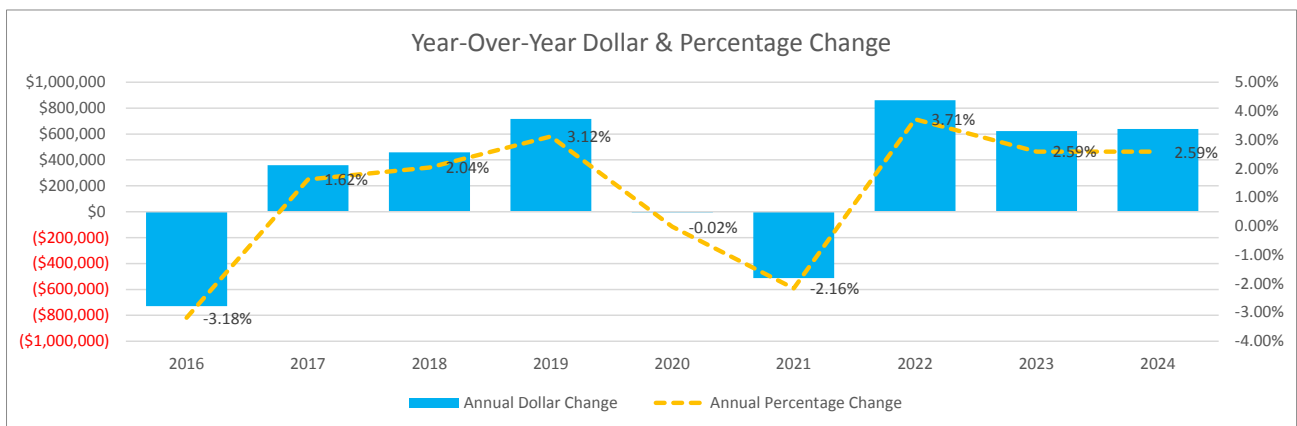
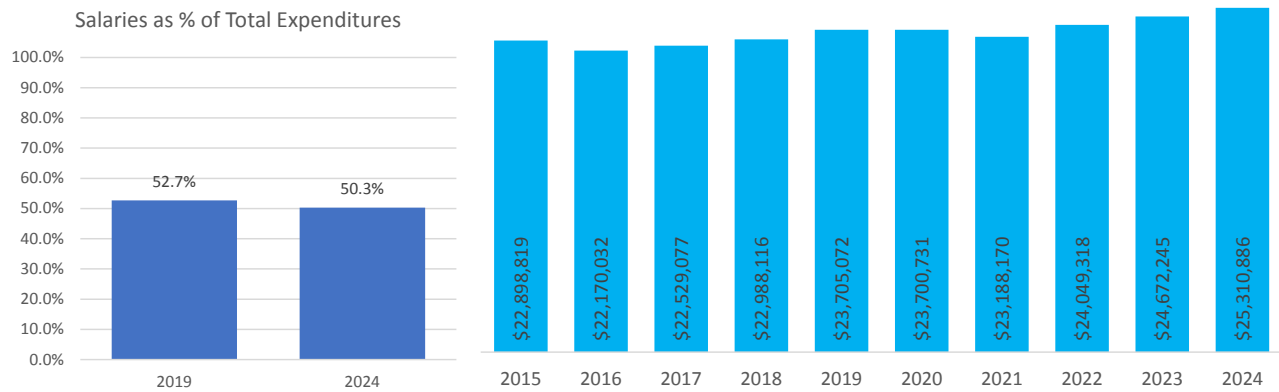
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	\$511,680	\$321,163	(\$190,517)	Total expenditures increased 0.94% or \$413,915 annually during the past five years and is projected to increase 2.36% or \$1,061,256 annually through FY2024. Other Uses has the largest projected average annual variance compared to the historical average at \$739,137.
Benefits	\$140,409	\$547,034	\$406,625	
Purchased Services	\$735,111	\$87,485	(\$647,626)	
Supplies & Materials	\$7,950	\$17,792	\$9,842	
Capital Outlay	(\$253,250)	\$106,452	\$359,702	
Intergov & Debt	(\$990)	(\$7,127)	(\$6,137)	
Other Objects	\$19,022	(\$4,664)	(\$23,686)	
Other Uses	(\$746,016)	(\$6,879)	\$739,137	
Total Average Annual Change	\$413,915	\$1,061,256	\$647,341	
	0.94%	2.36%	1.42%	

Note: Expenditure average annual change is projected to be > \$1,061,256 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

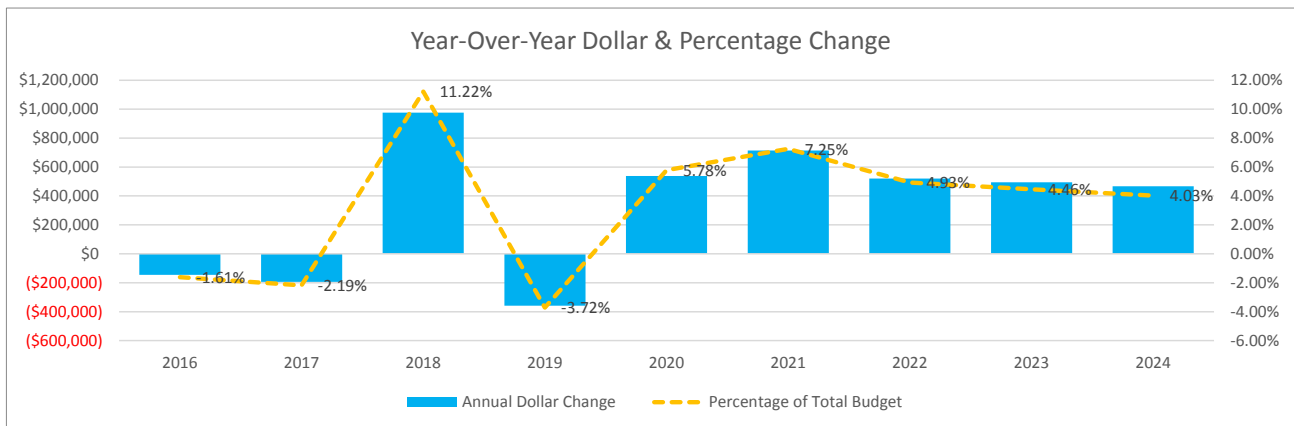
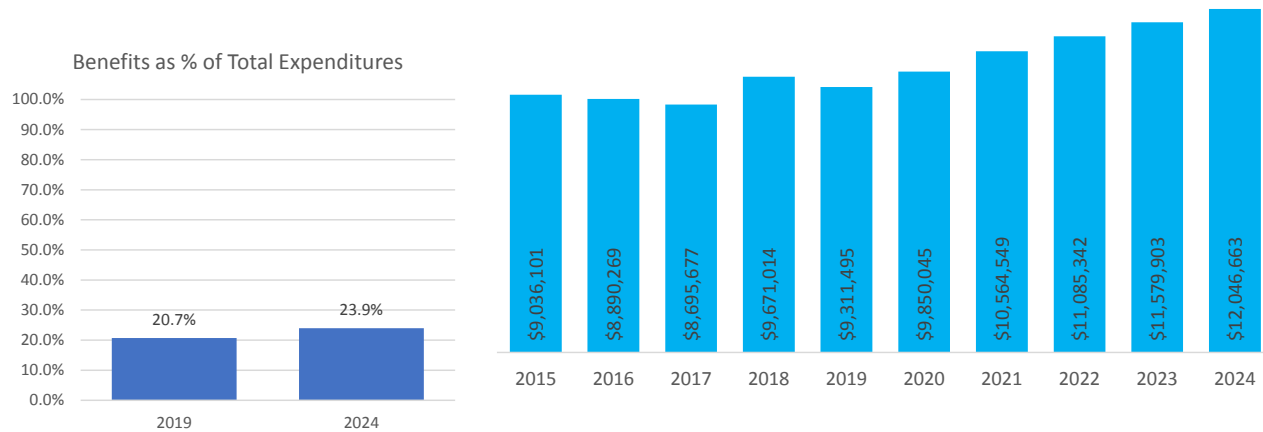
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 52.67% of total expenditures and increased at a historical average annual rate of 2.26% or \$511,680. This category of expenditure is projected to grow at an average annual rate of 1.34% or \$321,163 through FY 2024. The projected average annual rate of change is -0.92% less than the five year historical annual average.

3.020 - Employees' Benefits

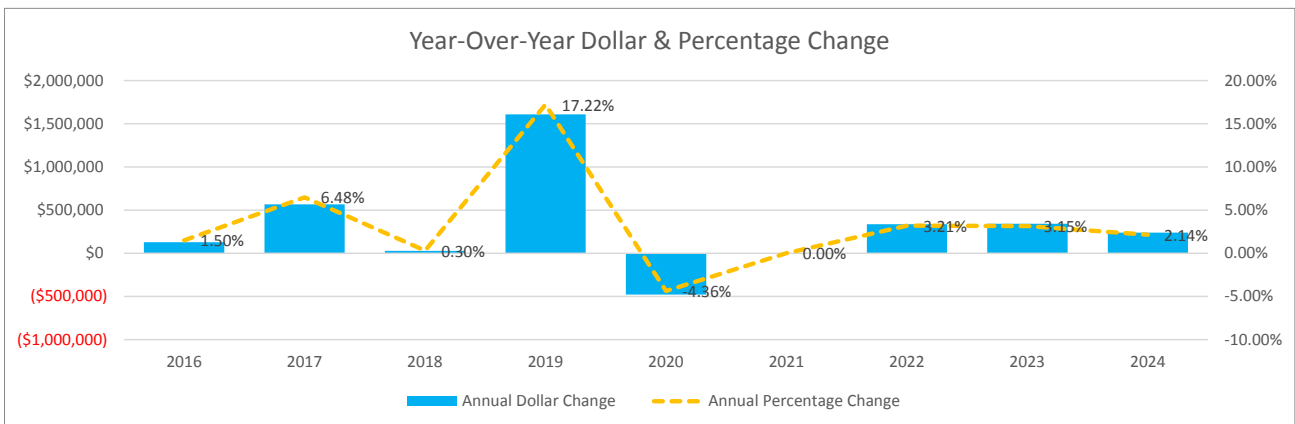
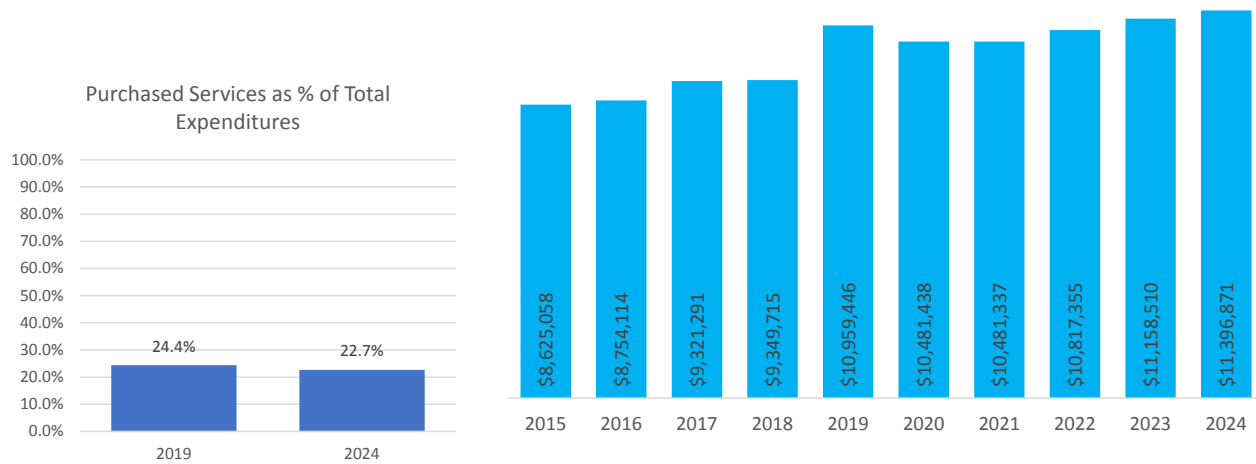
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 20.69% of total expenditures and increased at a historical average annual rate of 1.77%. This category of expenditure is projected to grow at an annual average rate of 5.29% through FY 2024. The projected average annual rate of change is 3.52% more than the five year historical annual average.

3.030 - Purchased Services

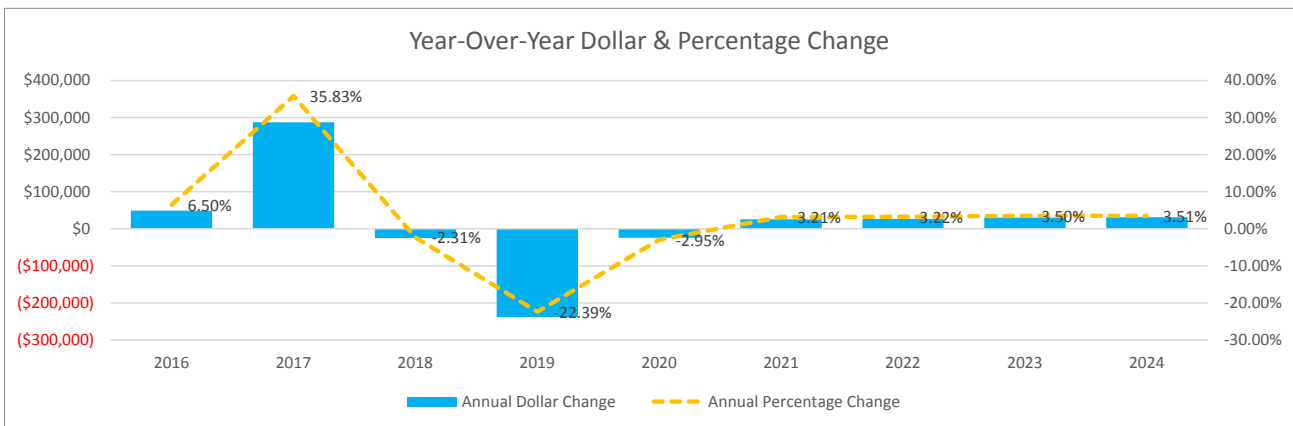
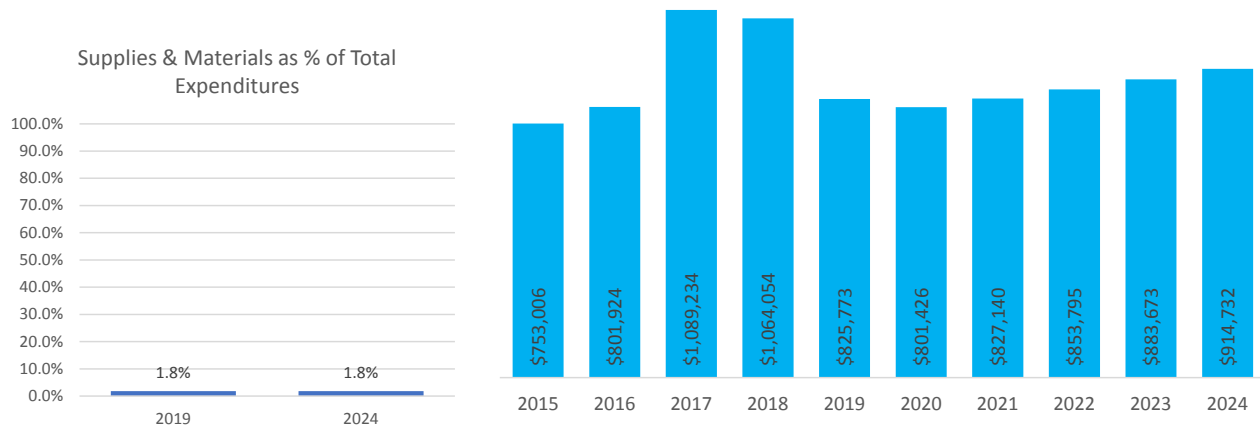
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 24.35% of total expenditures and increased at a historical average annual rate of 8.00%. This category of expenditure is projected to grow at an annual average rate of 0.83% through FY 2024. The projected average annual rate of change is -7.17% less than the five year historical annual average.

3.040 - Supplies & Materials

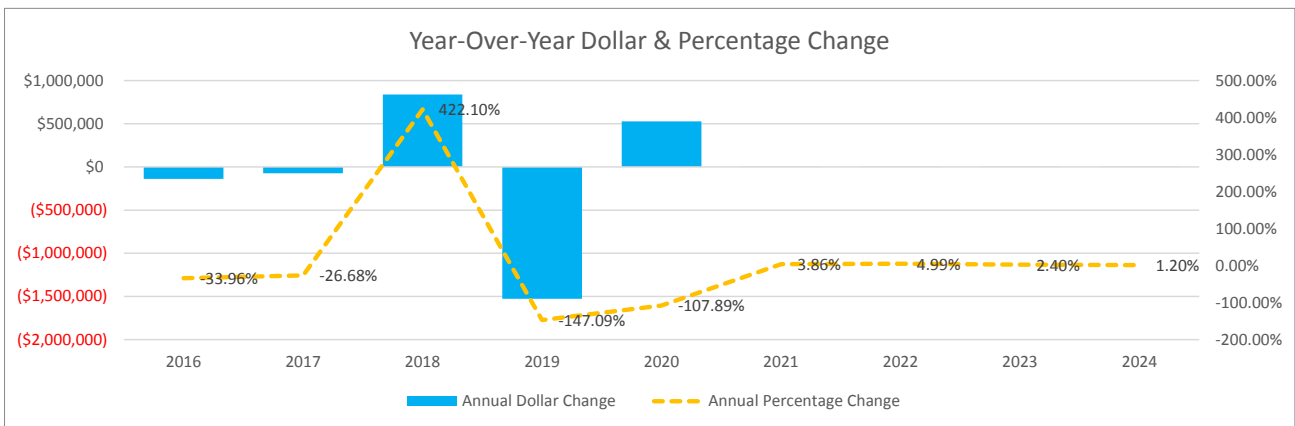
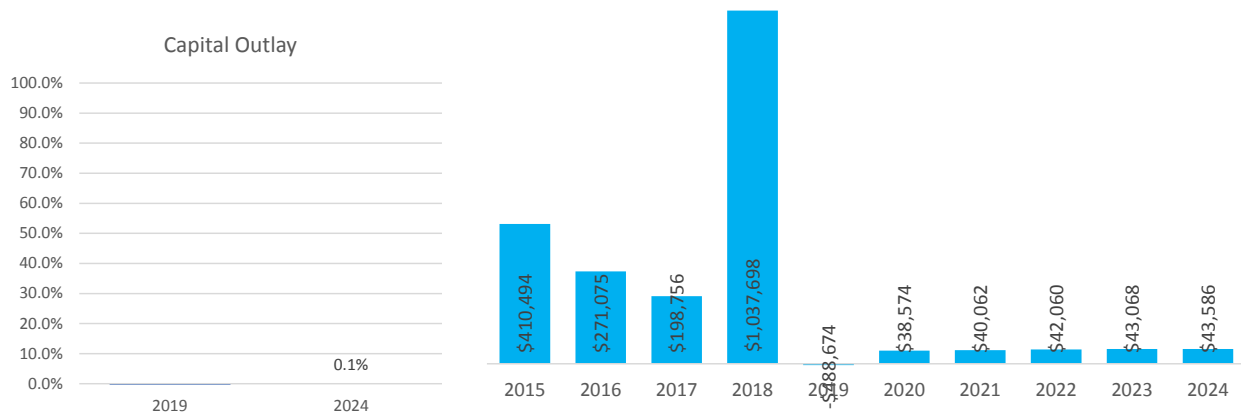
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 1.83% of total expenditures and increased at a historical average annual rate of 3.71%. This category of expenditure is projected to grow at an annual average rate of 2.10% through FY 2024. The projected average annual rate of change is -1.61% less than the five year historical annual average.

3.050 - Capital Outlay

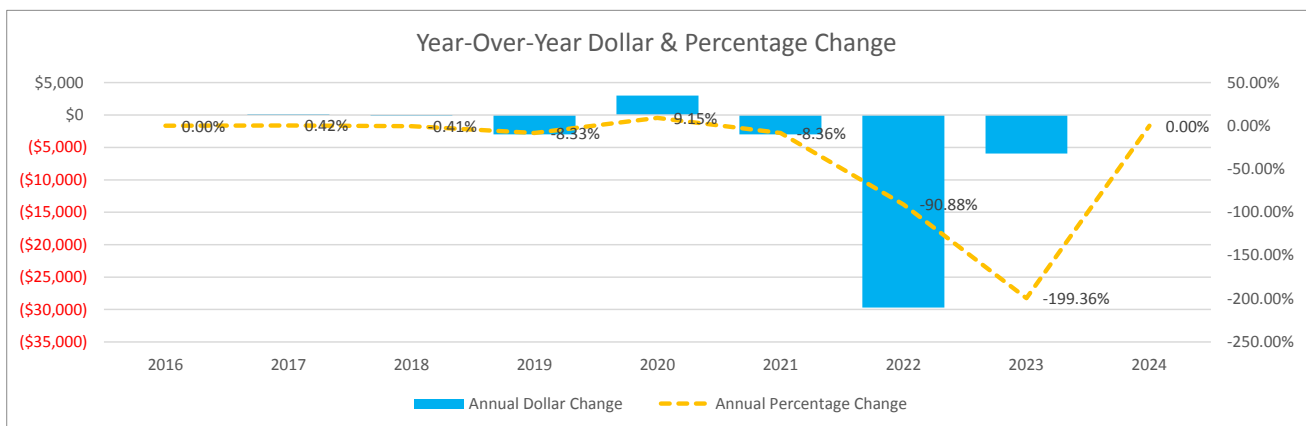
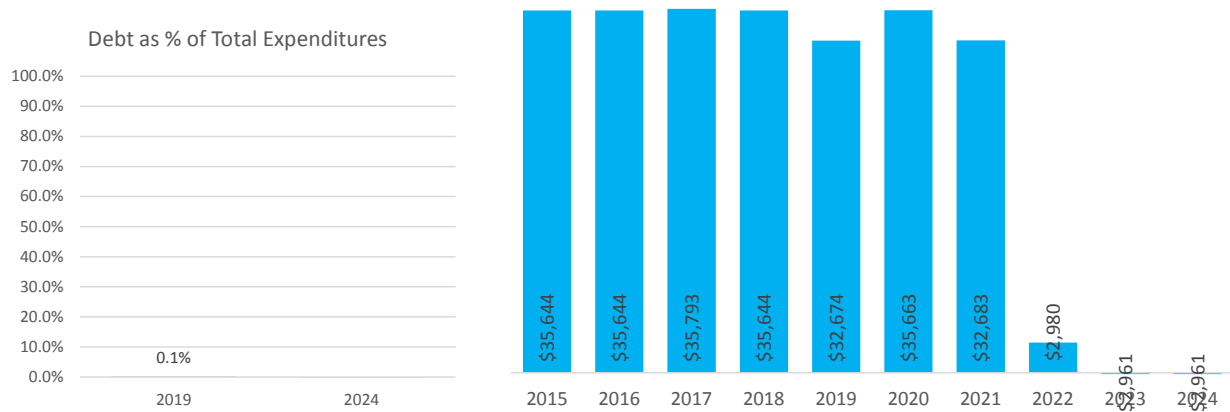
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent -1.09% of total expenditures and decreased at a historical average annual amount of -\$253,250. This category of expenditure is projected to decrease at an annual average amount of \$106,452 through FY 2024. The projected average annual change is less than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

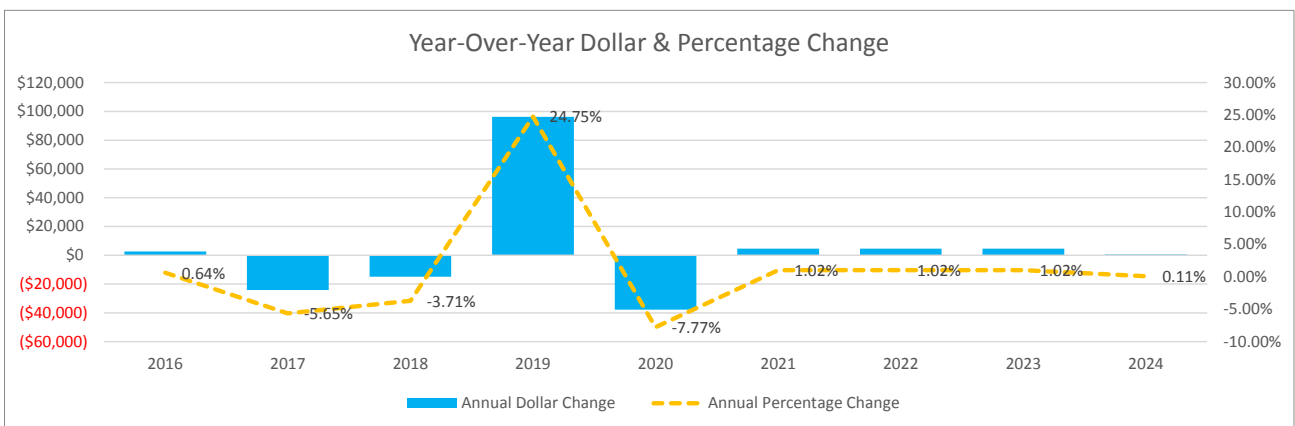
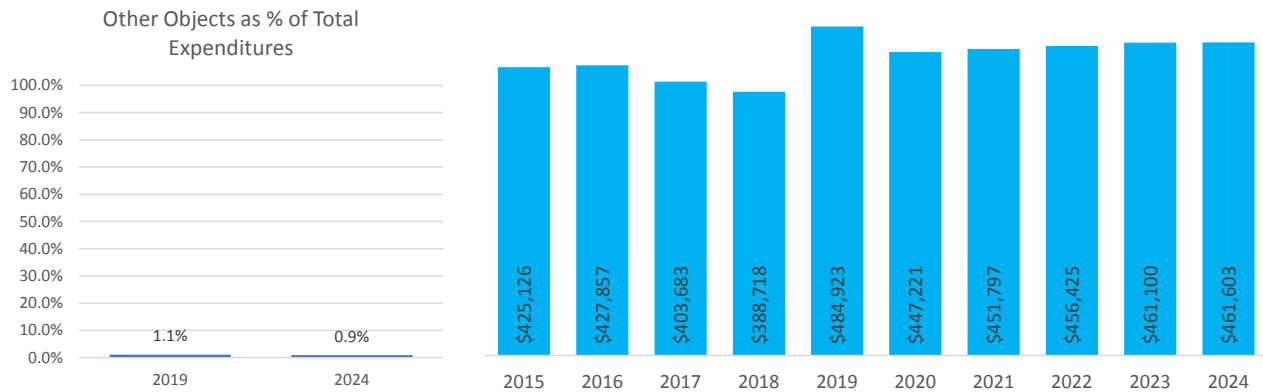
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

4.300 - Other Objects

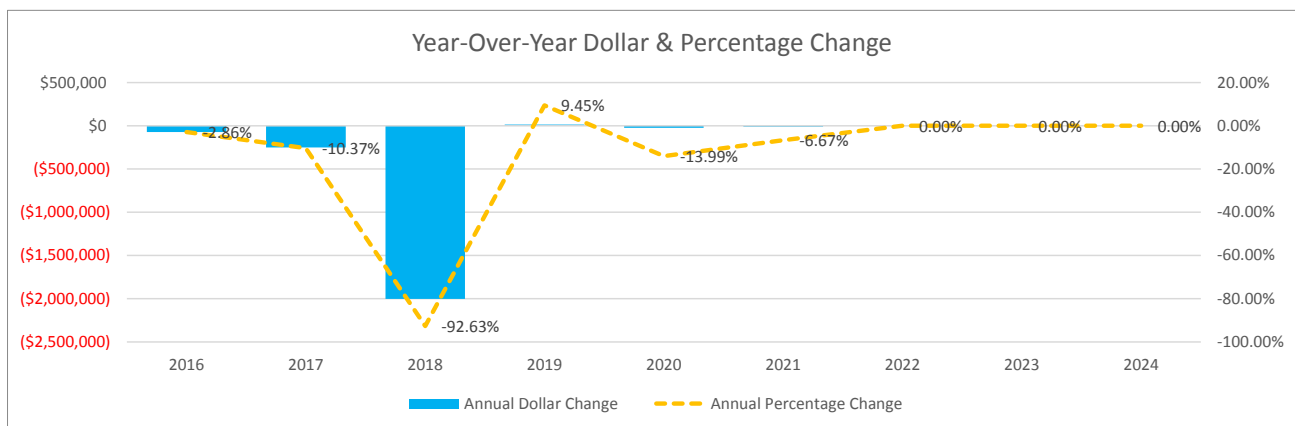
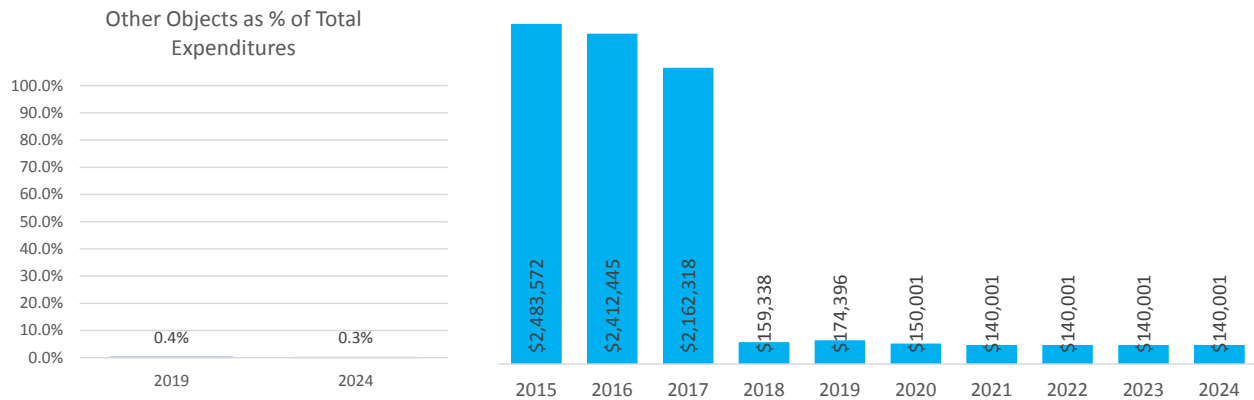
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.08% of total expenditures and increased at a historical average annual rate of 5.13%. This category of expenditure is projected to decrease at an annual average rate of -0.92% through FY 2024. The projected average annual rate of change is -6.05% less than the five year historical annual average.

5.040 - Total Other Financing Uses

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



	2019	2020	2021	FORECASTED		
				2022	2023	2024
Transfers Out	160,026	125,001	115,001	115,001	115,001	115,001
Advances Out	14,370	25,000	25,000	25,000	25,000	25,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2019 the district had advances-out and has advances-out forecasted through FY 2024. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2024. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Austintown Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
Revenue:						
1.010 - General Property Tax (Real Estate)	15,804,810	15,767,935	15,911,490	13,908,356	11,872,760	11,934,767
1.020 - Public Utility Personal Property	1,067,230	1,133,802	1,186,775	1,068,851	989,436	1,023,355
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	21,509,764	20,599,330	20,599,330	21,506,764	21,506,764	21,509,764
1.040 - Restricted Grants-in-Aid	760,625	760,625	760,625	760,625	760,625	760,625
1.050 - Property Tax Allocation	2,322,594	2,320,913	2,330,559	2,020,596	1,707,231	1,713,428
1.060 - All Other Operating Revenues	5,028,154	4,910,946	4,546,209	4,149,456	3,871,120	3,714,901
1.070 - Total Revenue	46,493,178	45,493,551	45,334,988	43,414,648	40,707,936	40,656,840
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	66,988	14,370	55,000	55,000	55,000	55,000
2.060 - All Other Financing Sources	291,920	695,540	175,001	175,001	175,001	175,001
2.070 - Total Other Financing Sources	358,908	709,910	230,001	230,001	230,001	230,001
2.080 - Total Rev & Other Sources	46,852,086	46,203,461	45,564,989	43,644,649	40,937,937	40,886,841
Expenditures:						
3.010 - Personnel Services	23,705,072	23,700,731	23,188,170	24,049,318	24,672,245	25,310,886
3.020 - Employee Benefits	9,311,495	9,850,045	10,564,549	11,085,342	11,579,903	12,046,663
3.030 - Purchased Services	10,959,446	10,481,438	10,481,337	10,817,355	11,158,510	11,396,871
3.040 - Supplies and Materials	825,773	801,426	827,140	853,795	883,673	914,732
3.050 - Capital Outlay	(488,674)	38,574	40,062	42,060	43,068	43,586
Intergovernmental & Debt Service	32,674	35,663	32,683	2,980	(2,961)	(2,961)
4.300 - Other Objects	484,923	447,221	451,797	456,425	461,100	461,603
4.500 - Total Expenditures	44,830,708	45,355,097	45,585,738	47,307,276	48,795,538	50,171,381
Other Financing Uses						
5.010 - Operating Transfers-Out	160,026	125,001	115,001	115,001	115,001	115,001
5.020 - Advances-Out	14,370	25,000	25,000	25,000	25,000	25,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	174,396	150,001	140,001	140,001	140,001	140,001
5.050 - Total Exp and Other Financing Uses	45,005,104	45,505,098	45,725,739	47,447,277	48,935,539	50,311,382
6.010 - Excess of Rev Over/(Under) Exp	1,846,982	698,362	(160,750)	(3,802,628)	(7,997,603)	(9,424,540)
7.010 - Cash Balance July 1 (No Levies)	8,710,708	10,557,690	11,256,052	11,095,302	7,292,674	(704,928)
7.020 - Cash Balance June 30 (No Levies)	10,557,690	11,256,052	11,095,302	7,292,674	(704,928)	(10,129,469)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	10,557,690	11,256,052	11,095,302	7,292,674	(704,928)	(10,129,469)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	2,391,287	4,789,721	4,803,916
11.030 - Cumulative Balance of Levies	-	-	-	2,391,287	7,181,008	11,984,924
12.010 - Fund Bal June 30 for Cert of Obligations	10,557,690	11,256,052	11,095,302	9,683,961	6,476,080	1,855,455
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	10,557,690	11,256,052	11,095,302	9,683,961	6,476,080	1,855,455