



Austintown Local School District

# Five Year Forecast Financial Report

November 2021

Blasie E. Karlovic, Treasurer/CFO

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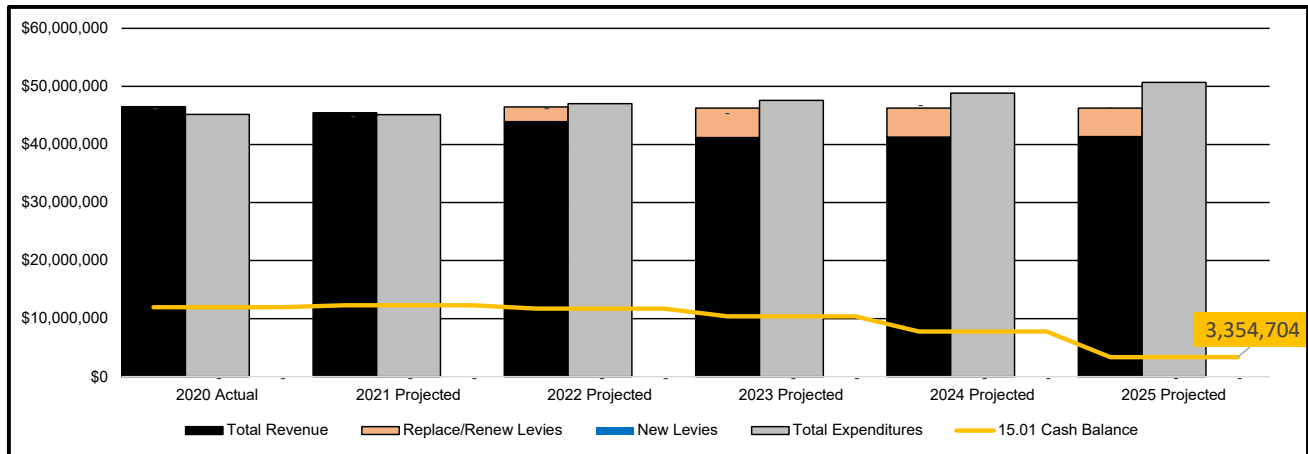
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### Forecast Purpose/Objectives

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.



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

Financial Forecast	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	11,961,602	12,294,084	11,734,873	10,374,695	7,789,487
+ Revenue	45,460,316	43,946,848	41,200,943	41,255,962	41,335,461
+ Proposed Renew/Replacement Levies	-	2,518,385	5,048,511	4,993,829	4,938,910
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(45,127,833)	(47,024,444)	(47,609,632)	(48,834,998)	(50,709,153)
= Revenue Surplus or Deficit	332,482	(559,211)	(1,360,178)	(2,585,208)	(4,434,783)
Ending Balance with renewal levies	12,294,084	11,734,873	10,374,695	7,789,487	3,354,705
Note: Not Reduced for Encumbrances					

#### Analysis Without Renewal Levies Included:

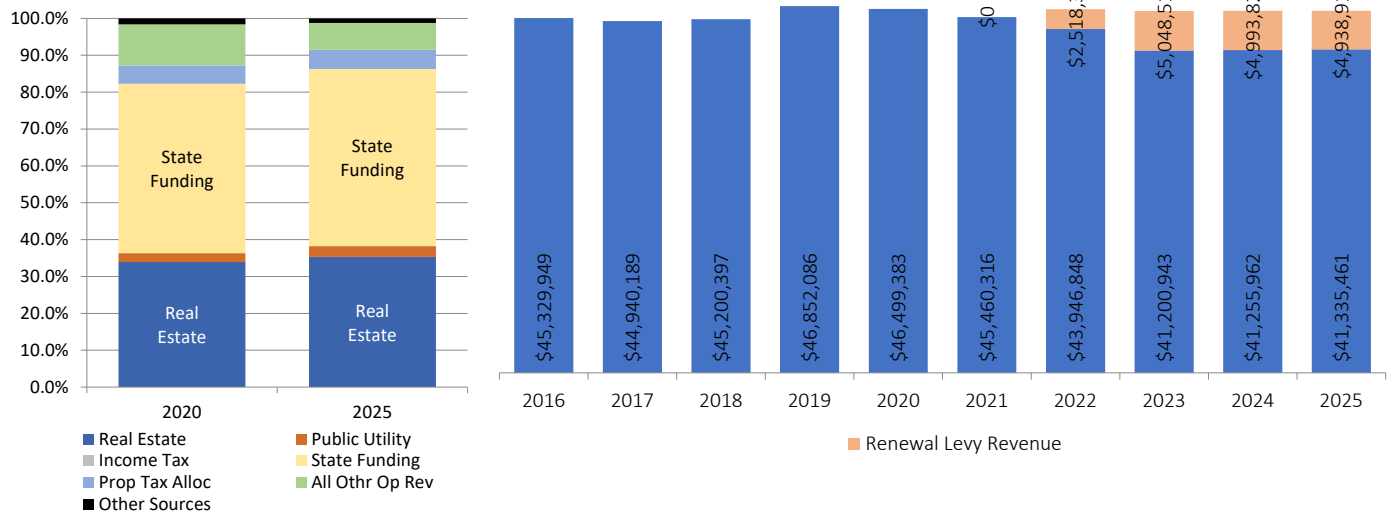
Revenue Surplus or Deficit w/o Levies	332,482	(3,077,596)	(6,408,689)	(7,579,037)	(9,373,693)
Ending Balance w/o Levies	12,294,084	9,216,488	2,807,799	(4,771,238)	(14,144,931)

In FY 2021 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$332,482 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$9,373,693. The district would need to cut its FY 2025 projected expenses by 20.26% in order to balance its budget without additional revenue.

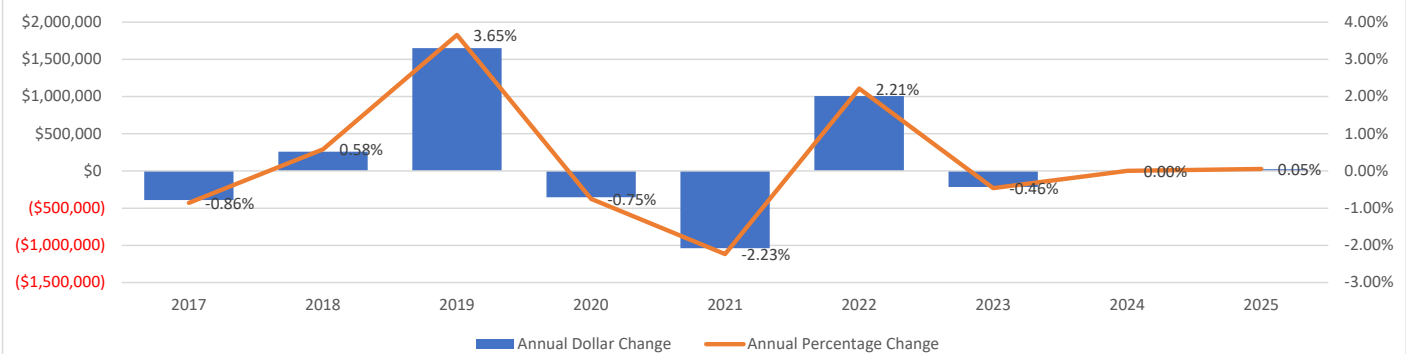
The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025. A worsening cash balance can erode the district's financial stability over time.

## 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

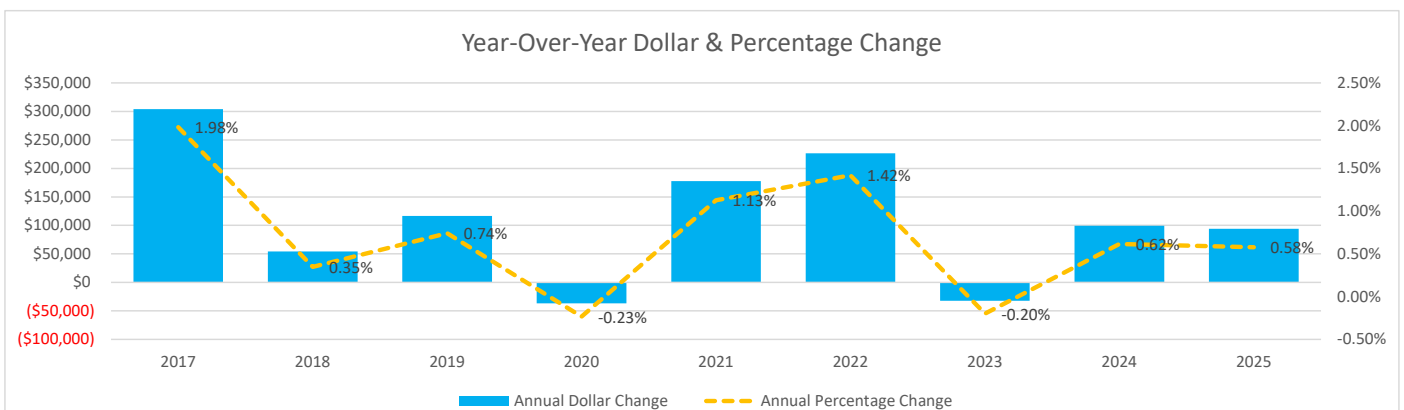
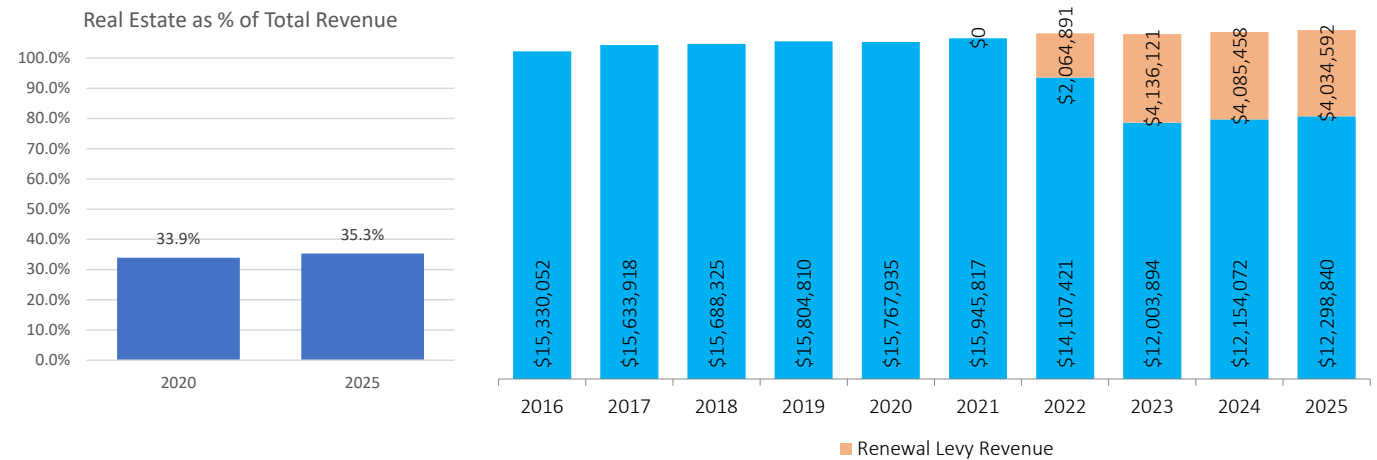
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue increased 1.16% or \$519,731 annually during the past five years and is projected to decrease -0.09% or -\$45,002 annually through FY2025. All Othr Op Rev has the most projected average annual variance compared to the historical average at -\$512,087
Real Estate	\$44,672	\$113,099	\$68,427	
Public Utility	\$57,227	\$47,402	(\$9,824)	
Income Tax	\$0	\$0	\$0	
State Funding	\$153,964	\$176,574	\$22,610	
Prop Tax Alloc	(\$18,369)	\$15,552	\$33,921	
All Othr Op Rev	\$147,696	(\$364,391)	(\$512,087)	
Other Sources	\$134,542	(\$33,239)	(\$167,781)	
Total Average Annual Change	\$519,731 1.16%	(\$45,002) -0.09%	(\$564,734) -1.25%	

Note: Expenditure average annual change is projected to be >

\$1,102,410 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).



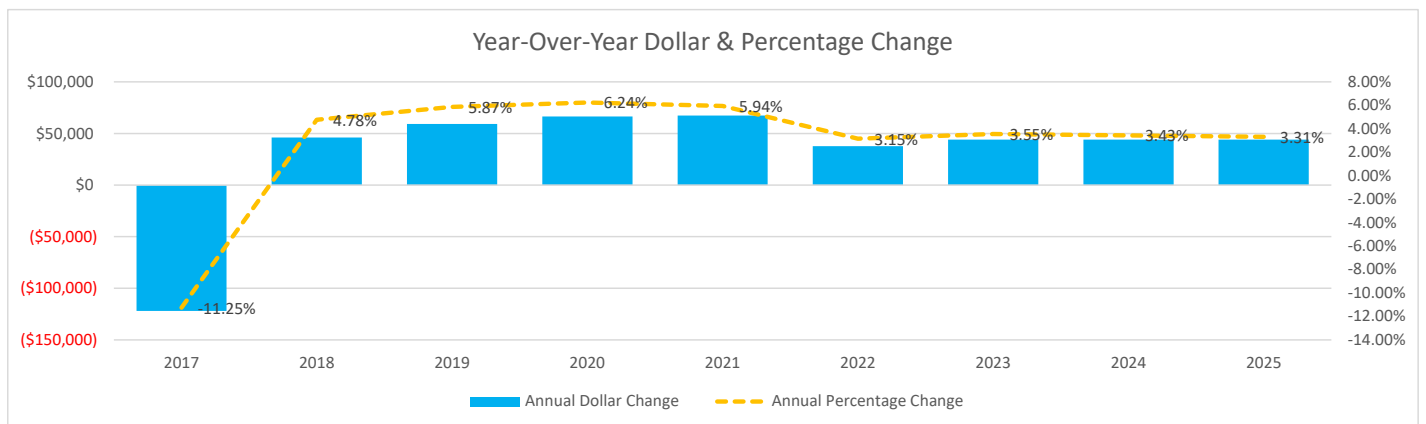
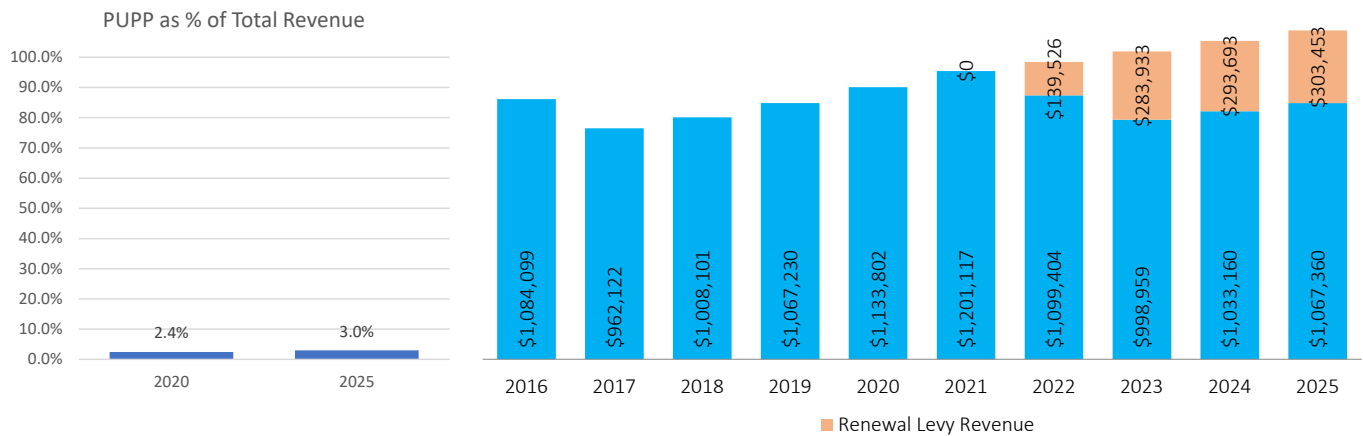
Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2019	596,150,840	160,320	29.33	-	33.48	-	98.3%
2020	641,925,840	45,775,000	27.35	(1.97)	32.87	(0.62)	100.4%
2021	642,750,840	825,000	27.36	0.01	32.97	0.11	99.4%
2022	643,575,840	825,000	27.38	0.01	33.08	0.11	99.4%
2023	663,850,840	20,275,000	26.72	(0.65)	32.56	(0.52)	99.4%
2024	664,825,840	975,000	26.73	0.00	32.66	0.10	99.4%

Real estate property tax revenue accounts for 33.91% of total revenue. Class I or residential/agricultural taxes make up approximately 64.11% of the real estate property tax revenue. The Class I tax rate is 27.35 mills in tax year 2020. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 99.6% annually through tax year 2024. The revenue changed at an average annual historical rate of 0.29% and is projected to change at an average annual rate of 0.71% through FY 2025.

*\*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.



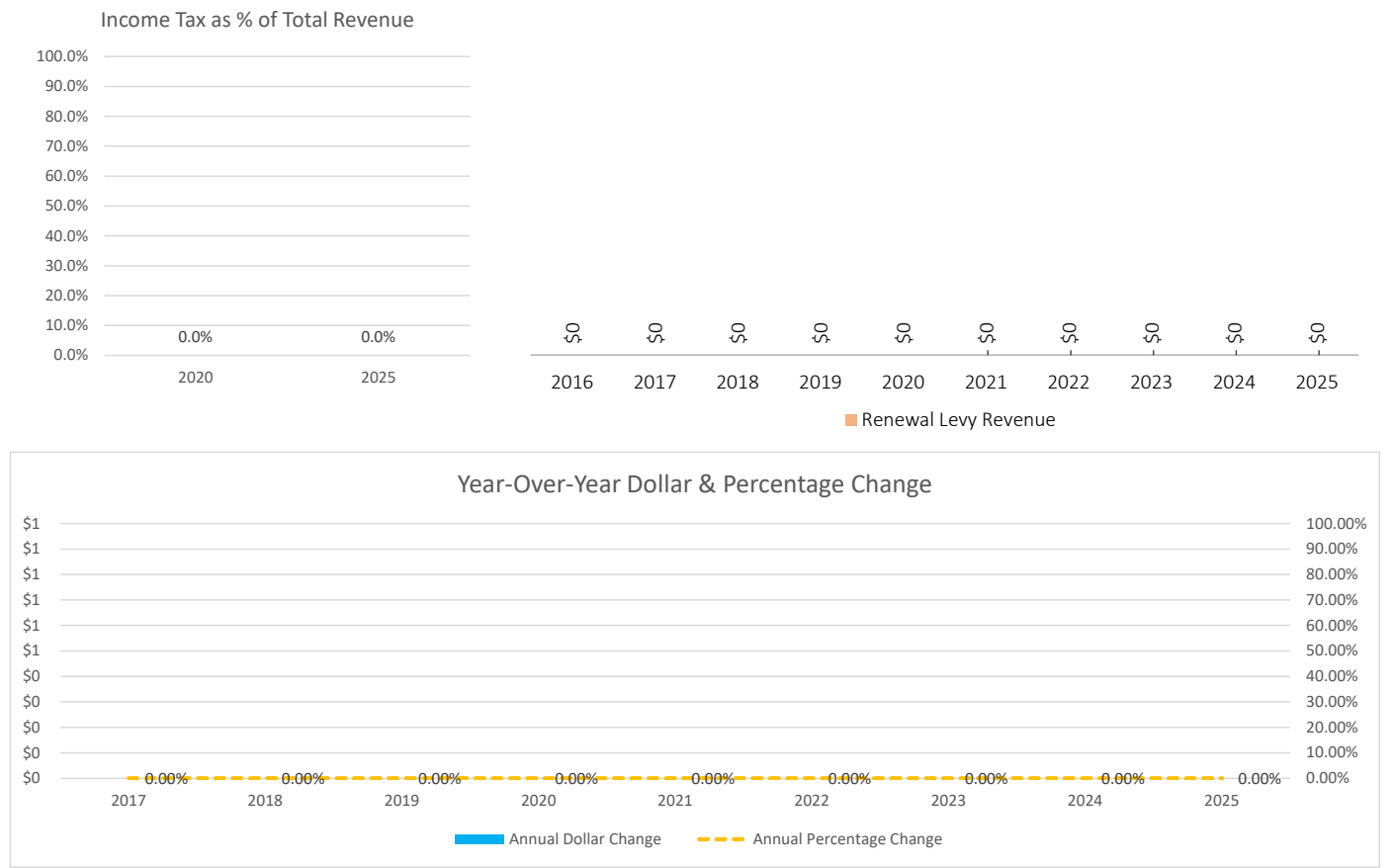
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	21,273,160	1,418,610	54.60	0.00	100.0%
2020	22,073,160	800,000	54.60	(0.00)	101.9%
2021	22,873,160	800,000	54.60	0.00	100.6%
2022	23,673,160	800,000	54.60	-	100.6%
2023	24,473,160	800,000	54.60	-	100.6%
2024	25,273,160	800,000	54.60	-	100.6%

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 2.44% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 54.6 mills. The forecast is modeling an average gross collection rate of 100.90%. The revenue changed historically at an average annual dollar amount of \$57,227 and is projected to change at an average annual dollar amount of \$47,402 through FY 2025.

*\*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.

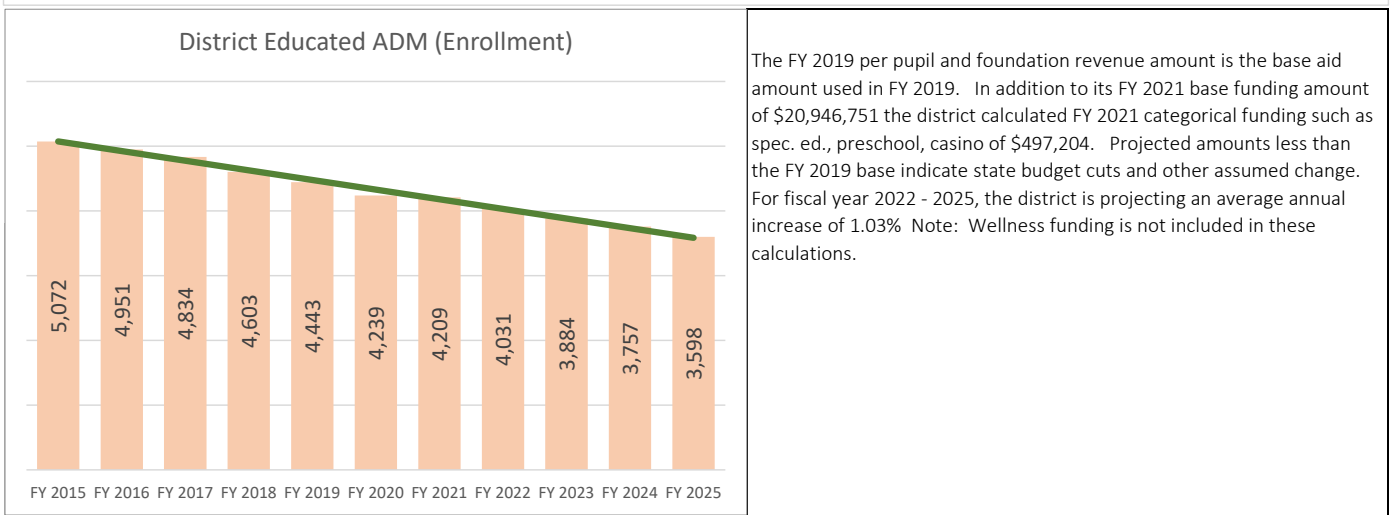
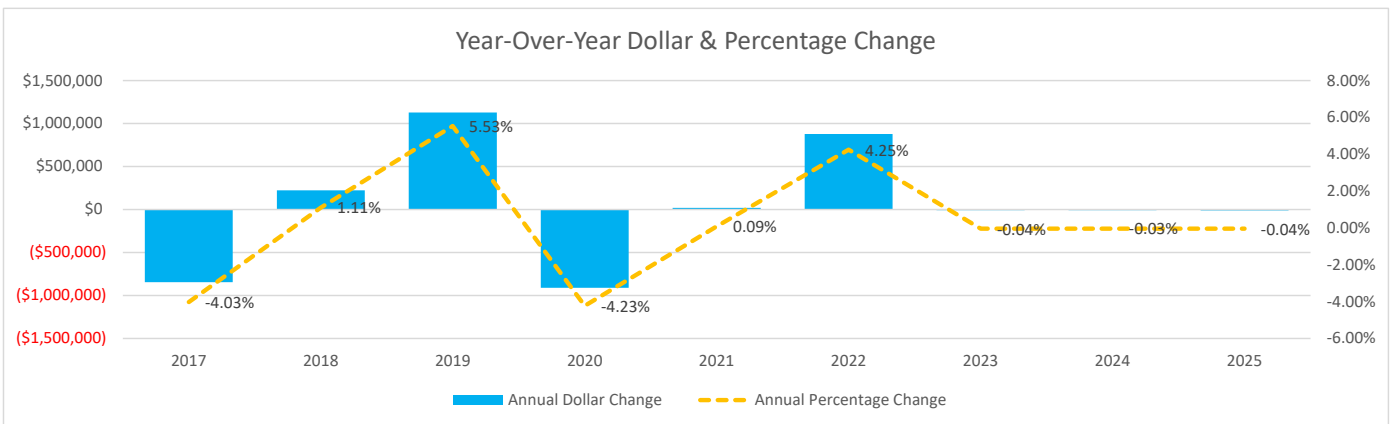
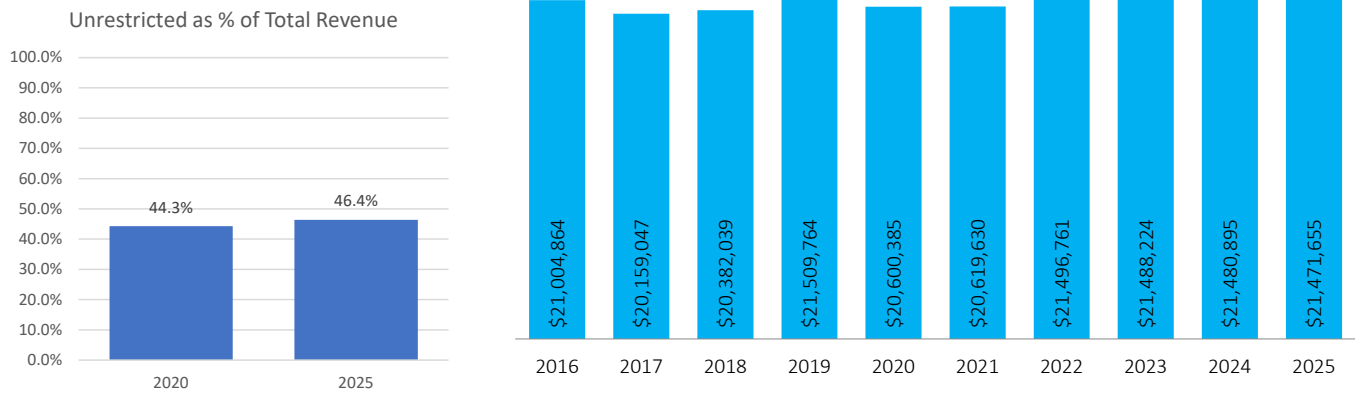


The district does not have an income tax levy.

\*Projected % trends include renewal levies

## 1.035 - Unrestricted Grants-in-Aid

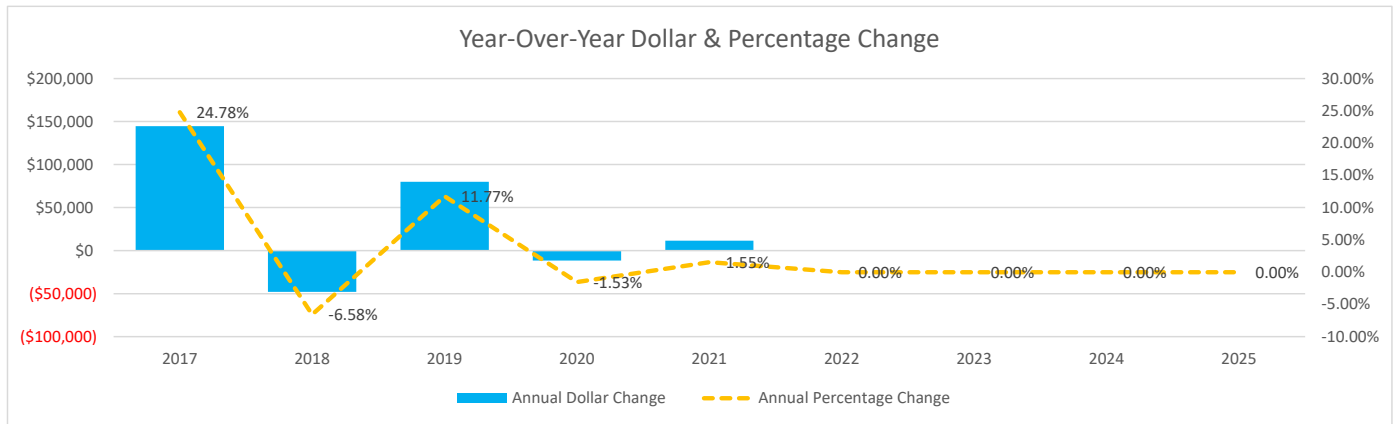
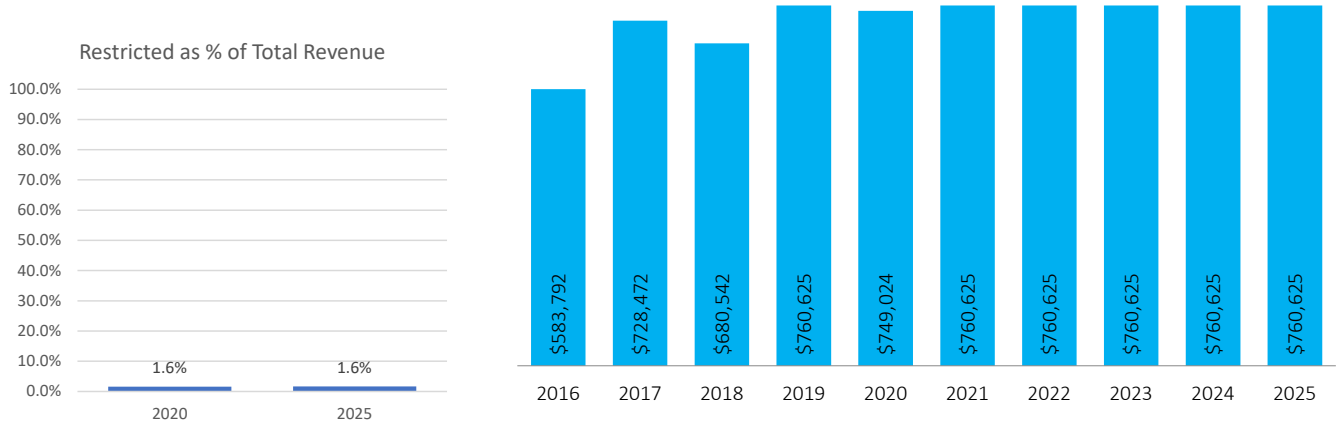
Funds received through the State Foundation Program with no restriction.





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

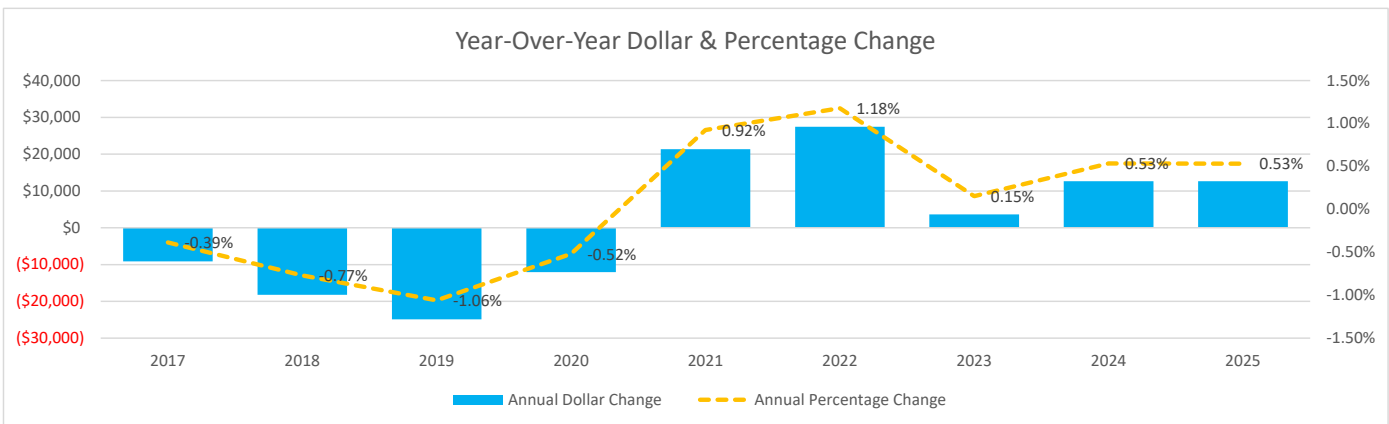
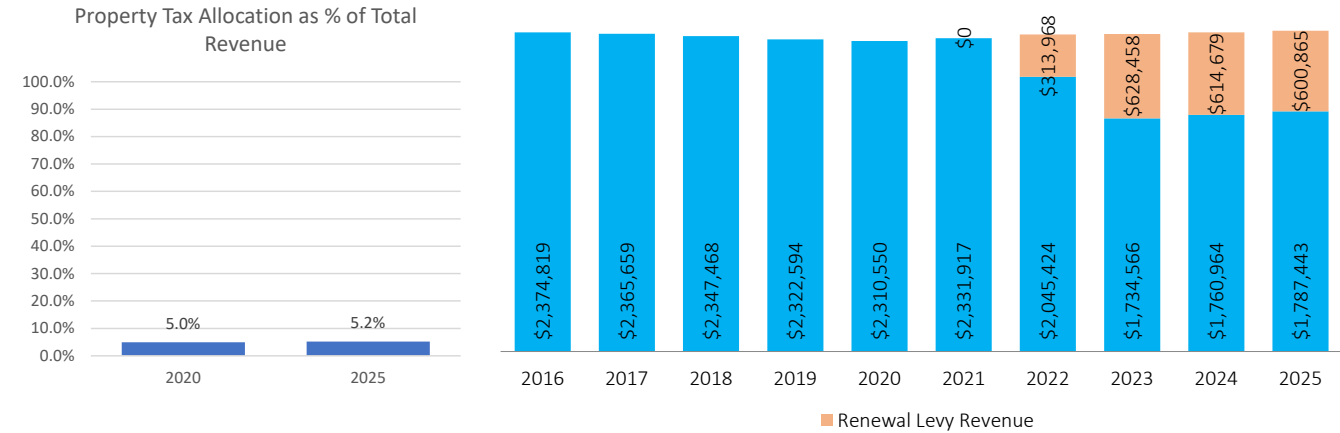
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$6,851 and is projected to change annually on average by \$2,320. Restricted funds represent 1.61% of total revenue.

## 1.050 - Property Tax Allocation

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

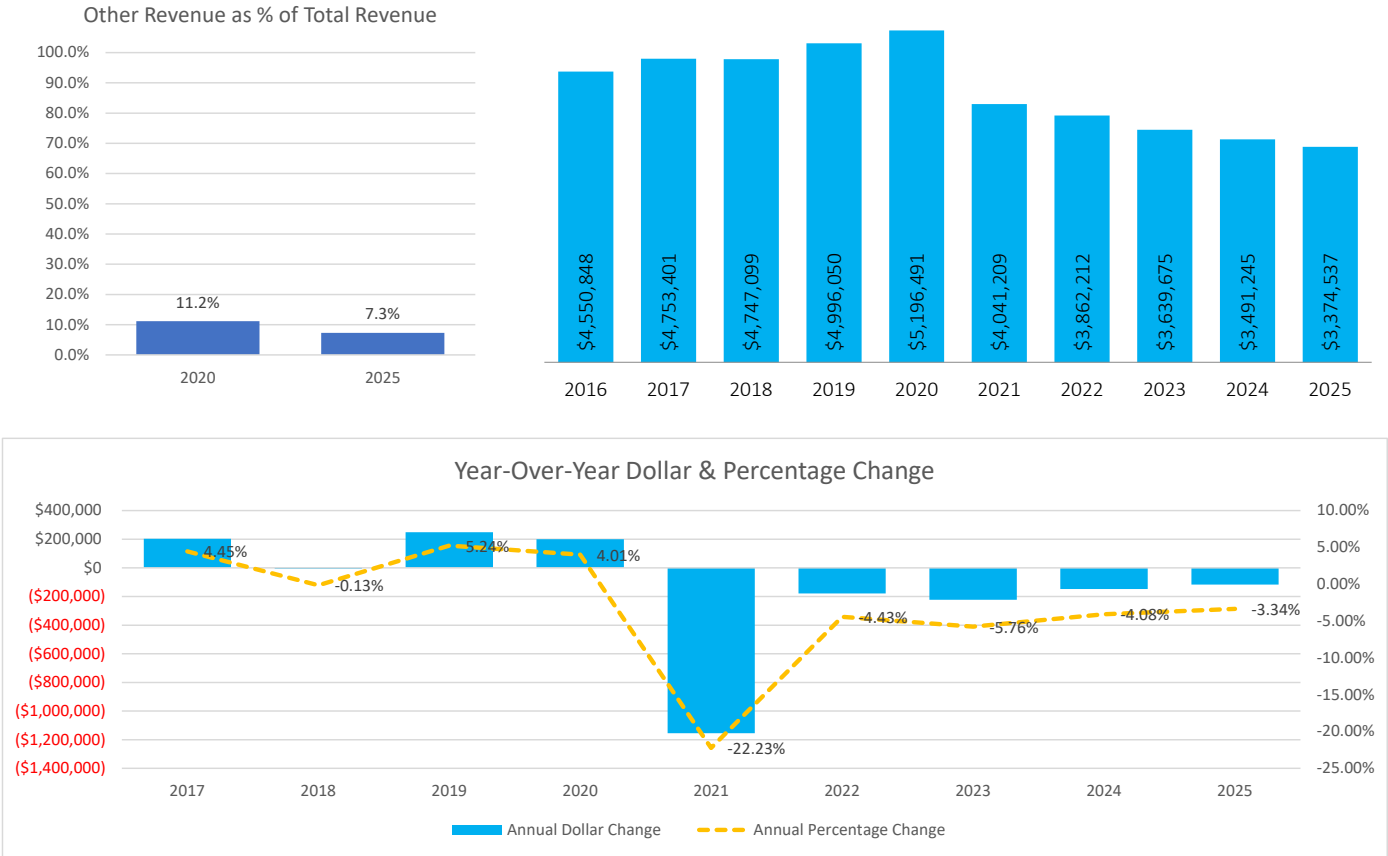


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 12.1% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 6.4% will be reimbursed in the form of qualifying homestead exemption credits.

*\*Projected % trends include renewal levies*

## 1.060 - All Other Operating Revenues

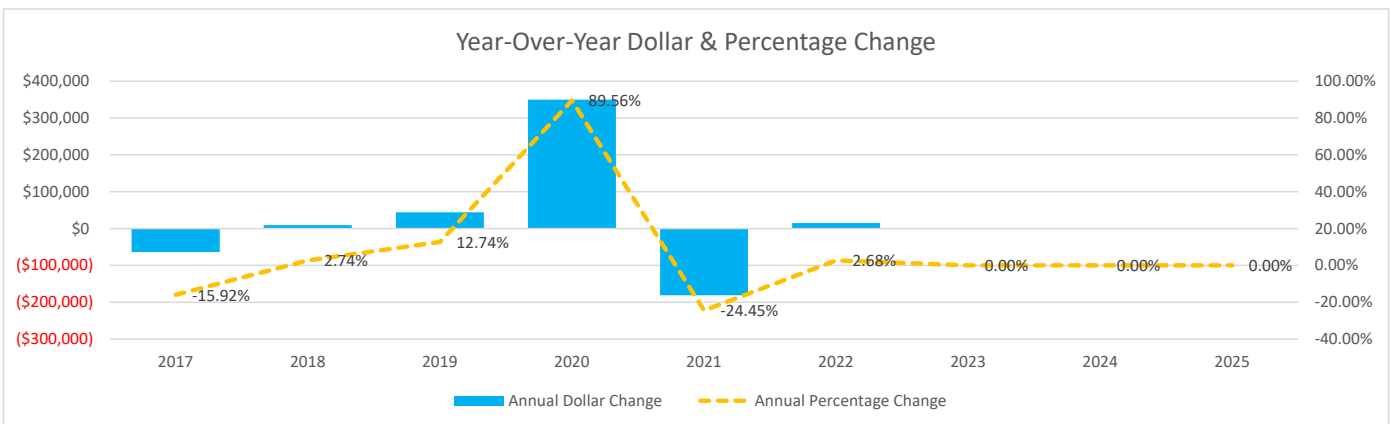
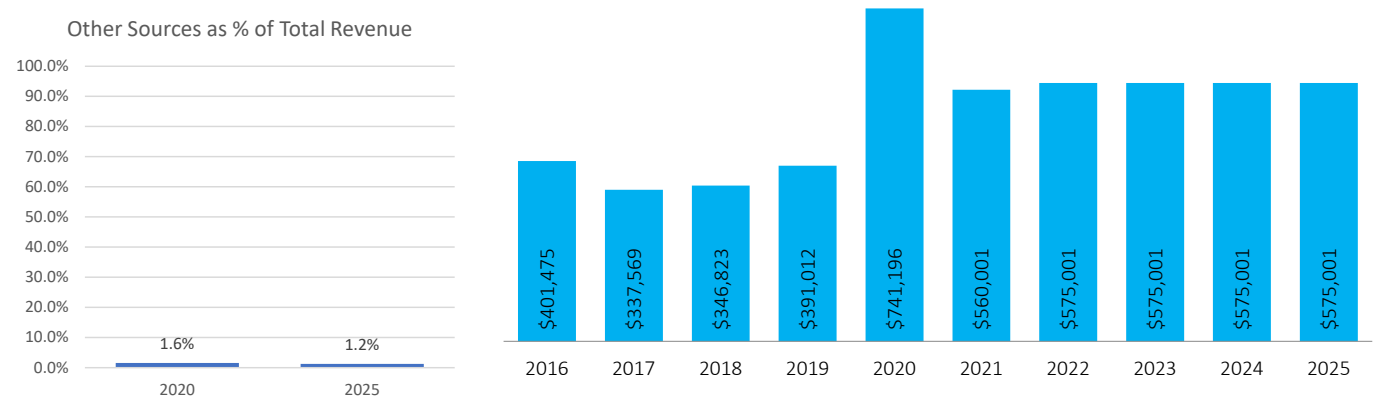
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 \$147,696. The projected average annual change is -\$364,391 through FY 2025.

## 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.

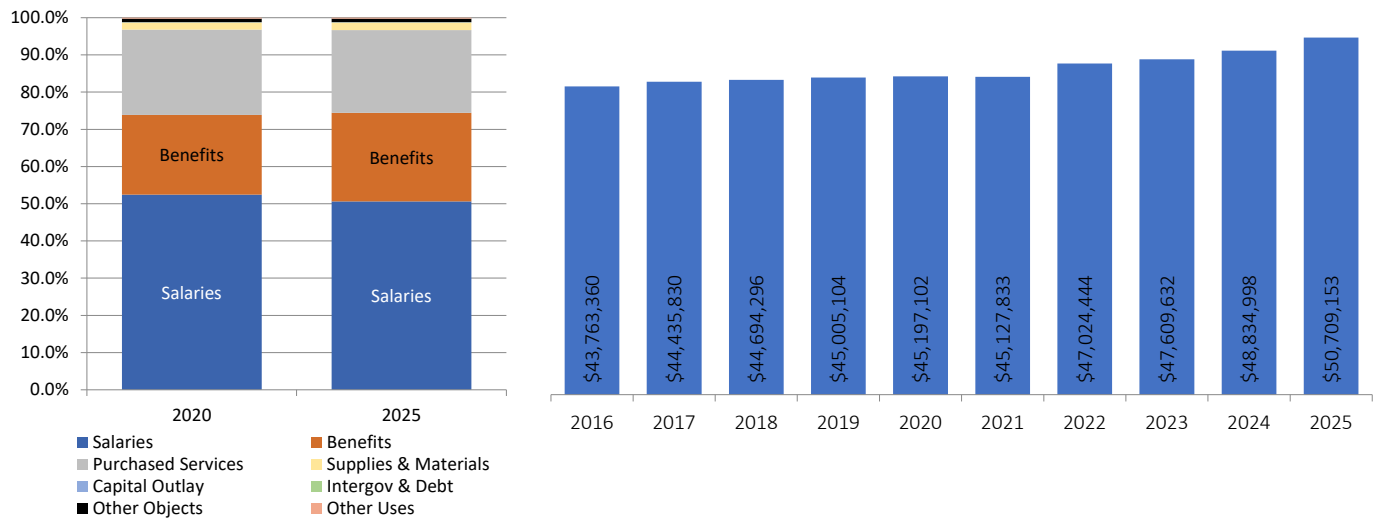


	2020	FORECASTED				
		2021	2022	2023	2024	2025
Transfers In	32,674	-	-	-	-	-
Advances In	1,551	10,000	25,000	25,000	25,000	25,000
All Other Financing Sources	706,970	550,001	550,001	550,001	550,001	550,001

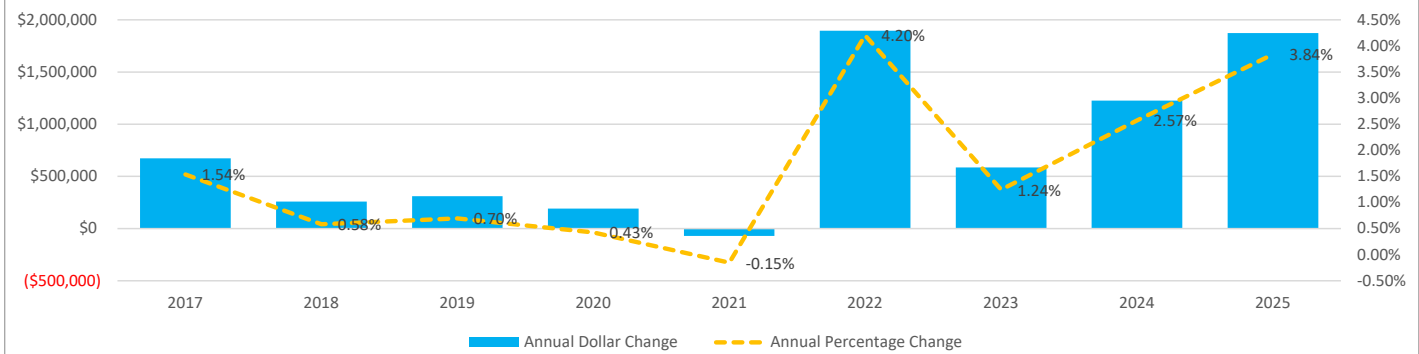
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district receipted \$1,551 as advances-in and is projecting advances of \$10,000 in FY 2021. 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 \$550,001 in FY 2021 and average \$550,001 annually through FY 2025.

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

Expenditure Categories Over Time



Year-Over-Year Dollar &amp; 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	Total expenditures increased 0.57% or \$253,757 annually during the past five years and is projected to increase 2.44% or \$1,102,410 annually through FY2025. Other Uses has the largest projected average annual variance compared to the historical average at \$690,555.
Salaries	\$395,195	\$394,507	(\$688)	
Benefits	\$326,514	\$479,847	\$153,334	
Purchased Services	\$349,699	\$179,185	(\$170,514)	
Supplies & Materials	(\$86,225)	\$39,040	\$125,265	
Capital Outlay	(\$53,370)	(\$3,529)	\$49,841	
Intergov & Debt	(\$1,040)	\$2	\$1,041	
Other Objects	\$7,371	\$7,188	(\$182)	
Other Uses	(\$684,387)	\$6,169	\$690,555	
<b>Total Average Annual Change</b>	<b>\$253,757</b> <b>0.57%</b>	<b>\$1,102,410</b> <b>2.44%</b>	<b>\$848,653</b> <b>1.87%</b>	

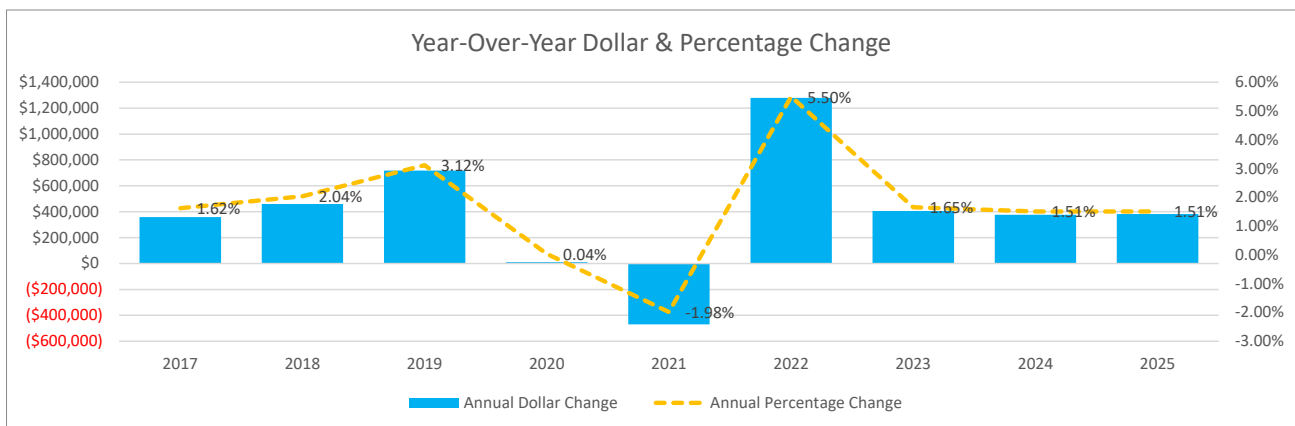
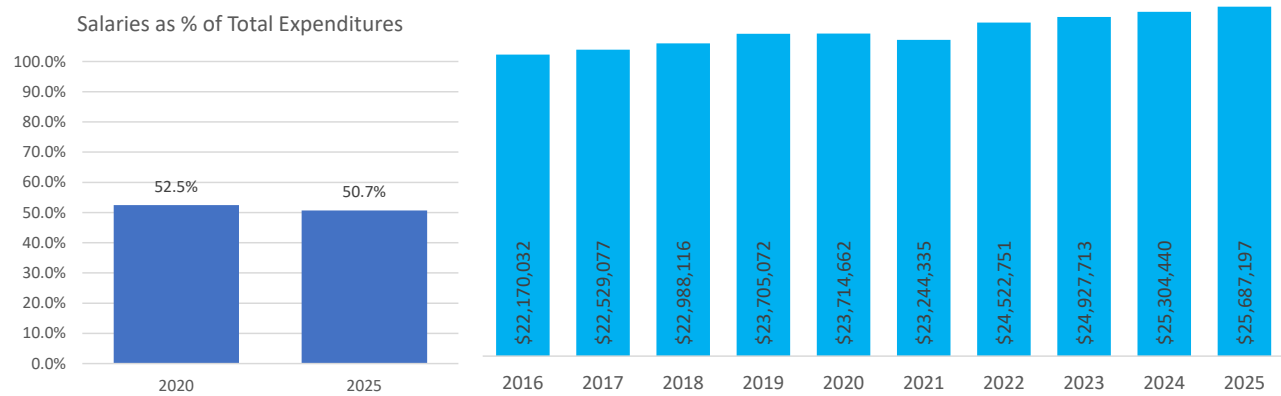
Note: Expenditure average annual change is projected

to be > \$1,102,410

On an annual average basis, revenues are projected to grow slower than expenditures.

### 3.010 - Personnel Services

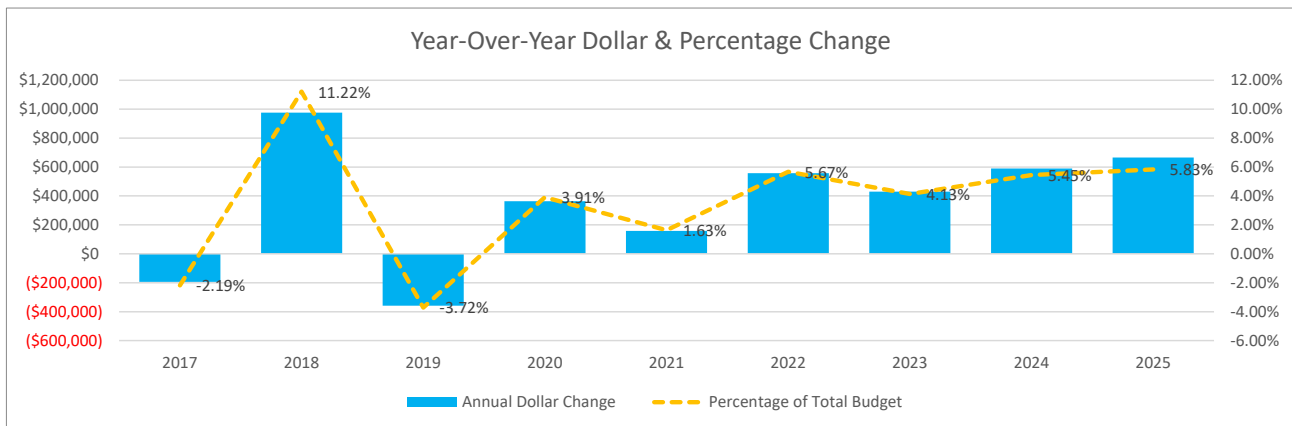
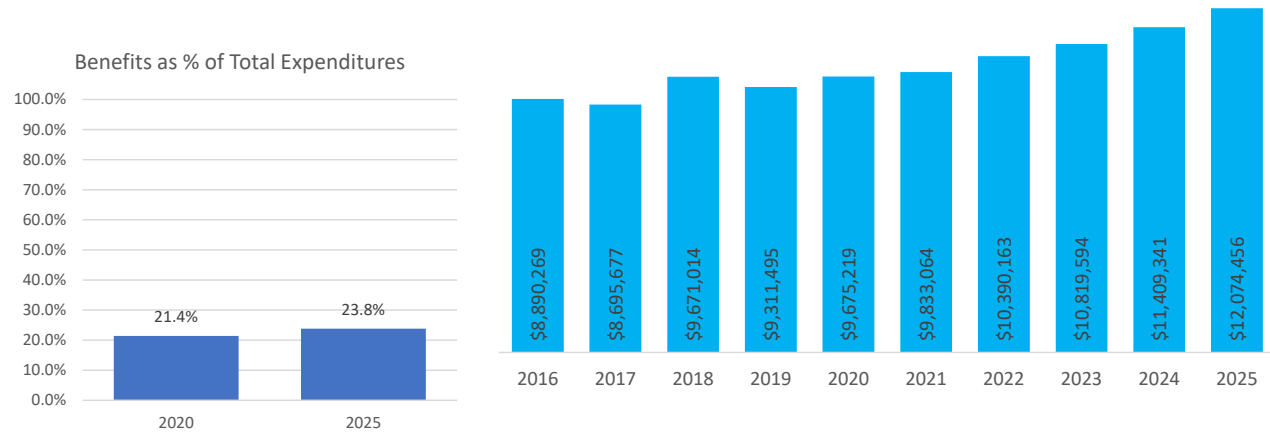
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 52.47% of total expenditures and increased at a historical average annual rate of 1.73% or \$395,195. This category of expenditure is projected to grow at an average annual rate of 1.64% or \$394,507 through FY 2025. The projected average annual rate of change is -0.09% less than the five year historical annual average.

### 3.020 - Employees' Benefits

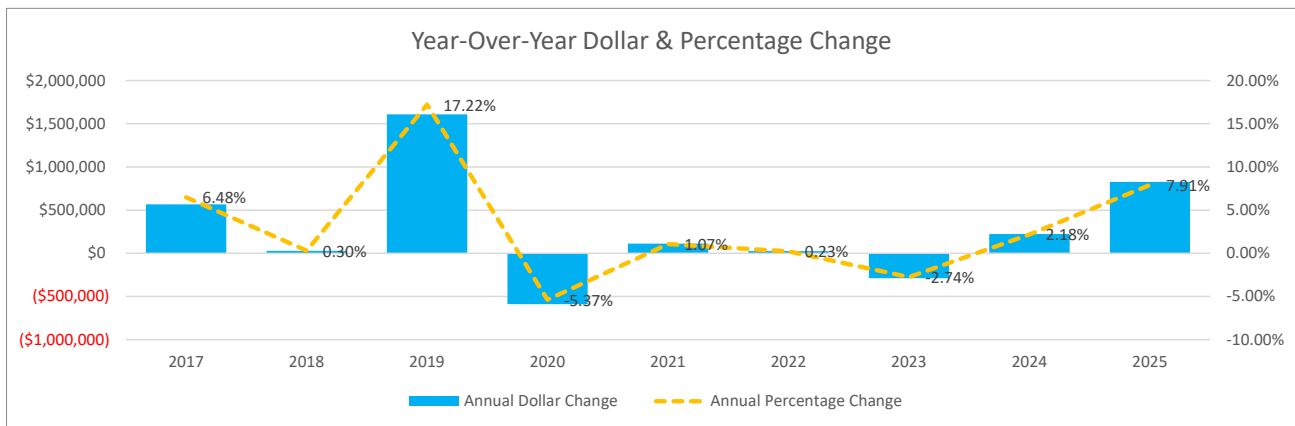
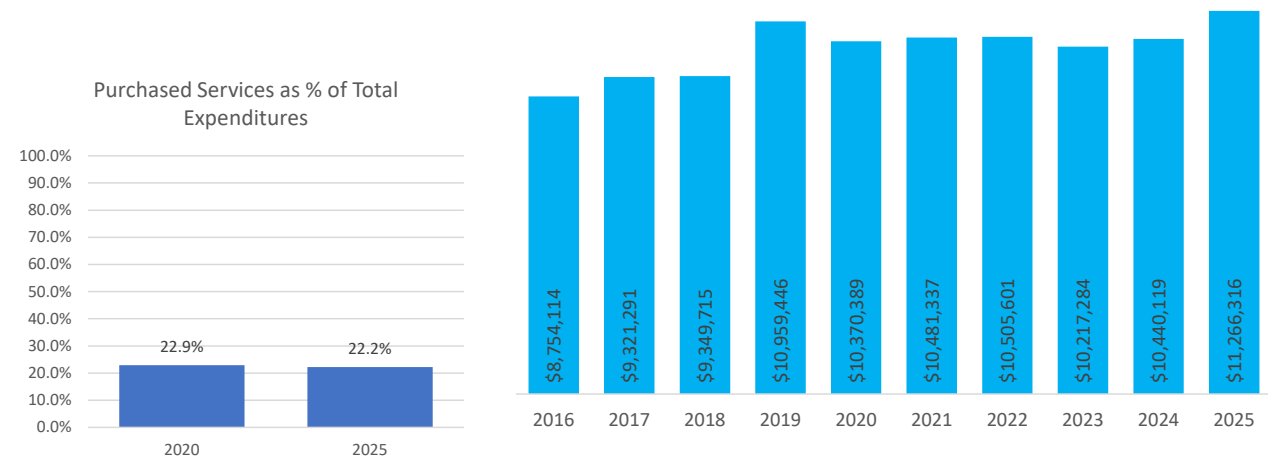
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 21.41% of total expenditures and increased at a historical average annual rate of 3.80%. This category of expenditure is projected to grow at an annual average rate of 4.54% through FY 2025. The projected average annual rate of change is 0.74% 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.

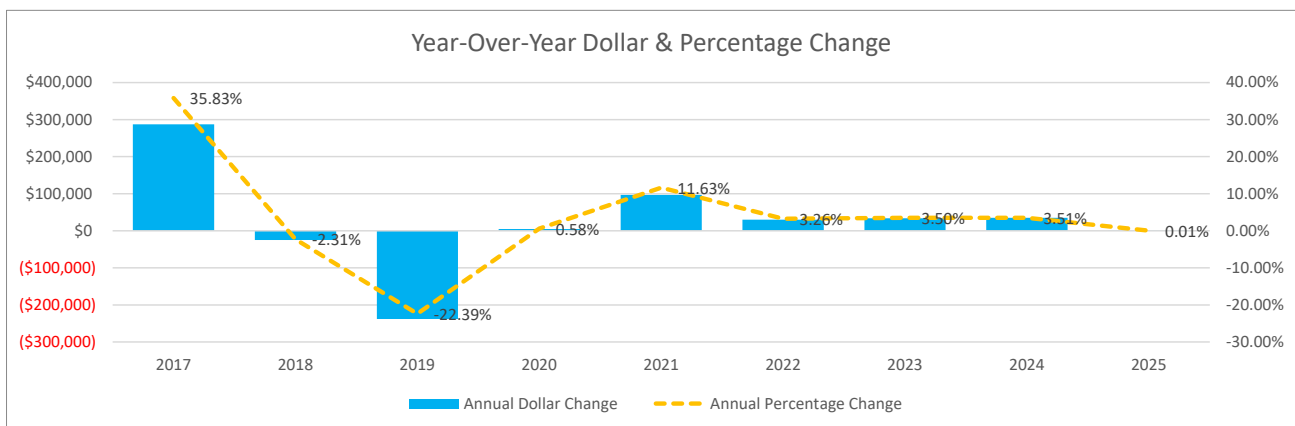
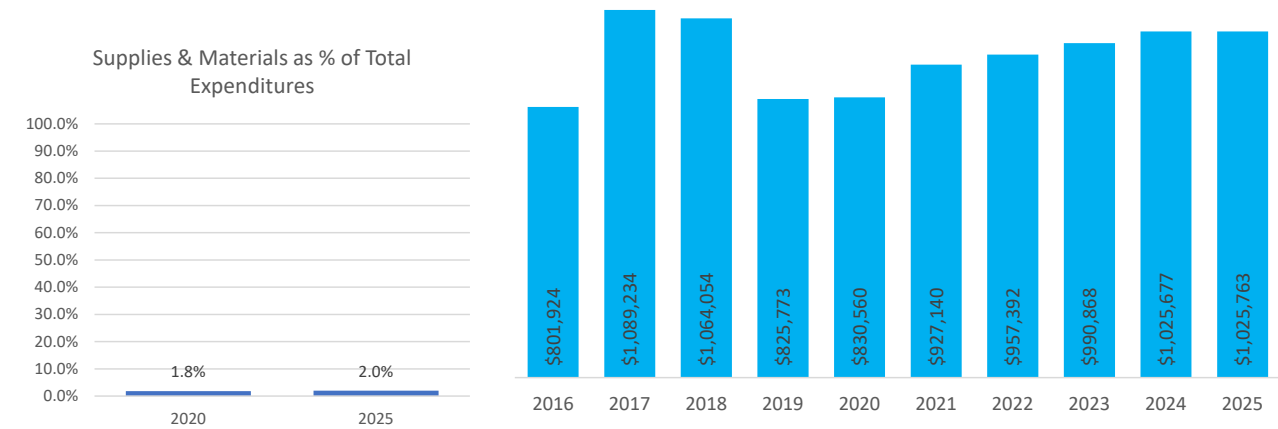


Purchased Services represent 22.94% of total expenditures and increased at a historical average annual rate of 4.05%. This category of expenditure is projected to grow at an annual average rate of 1.73% through FY 2025. The projected average annual rate of change is -2.32% less than the five year historical annual average.



### 3.040 - Supplies & Materials

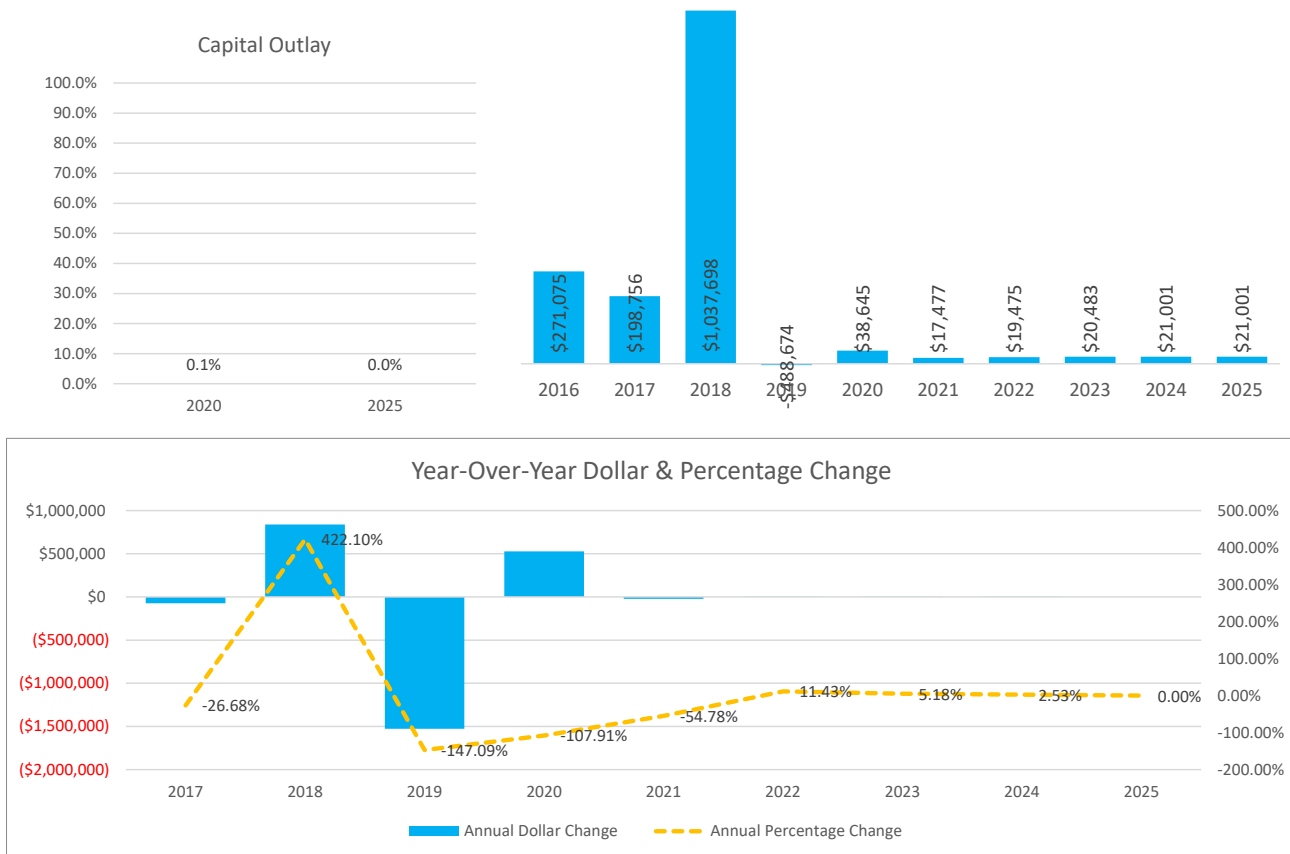
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 1.84% of total expenditures and decreased at a historical average annual rate of -8.04%. This category of expenditure is projected to grow at an annual average rate of 4.38% through FY 2025. The projected average annual rate of change is 12.42% more than the five year historical annual average.

### 3.050 - Capital Outlay

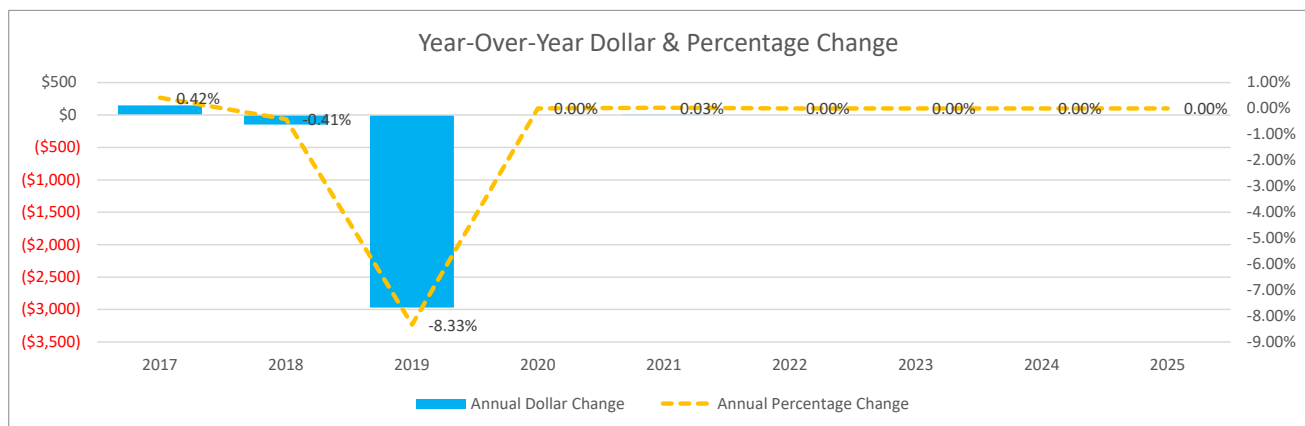
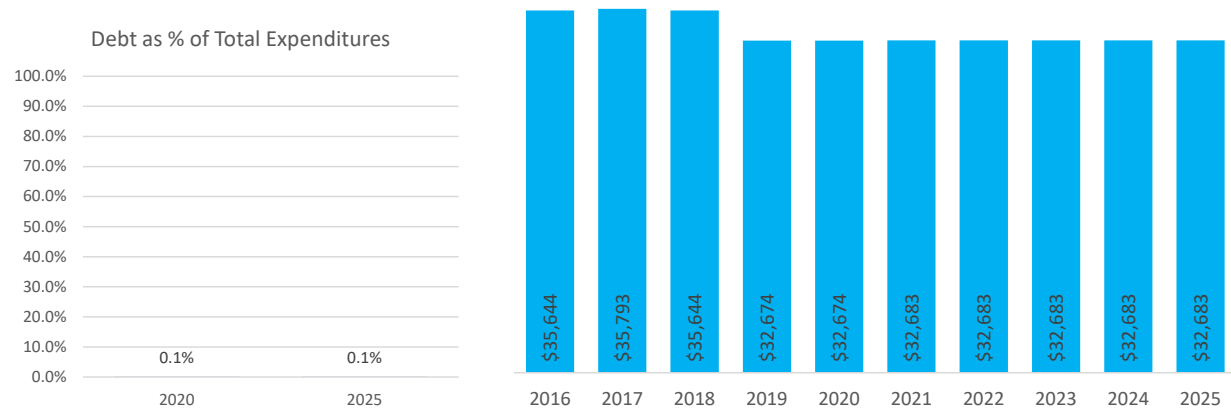
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.09% of total expenditures and decreased at a historical average annual amount of -\$53,370. This category of expenditure is projected to decrease at an annual average amount of -\$3,529 through FY 2025. The projected average annual change is less than the five year historical annual average.

### 3.060-4.060 - Intergovernmental & Debt

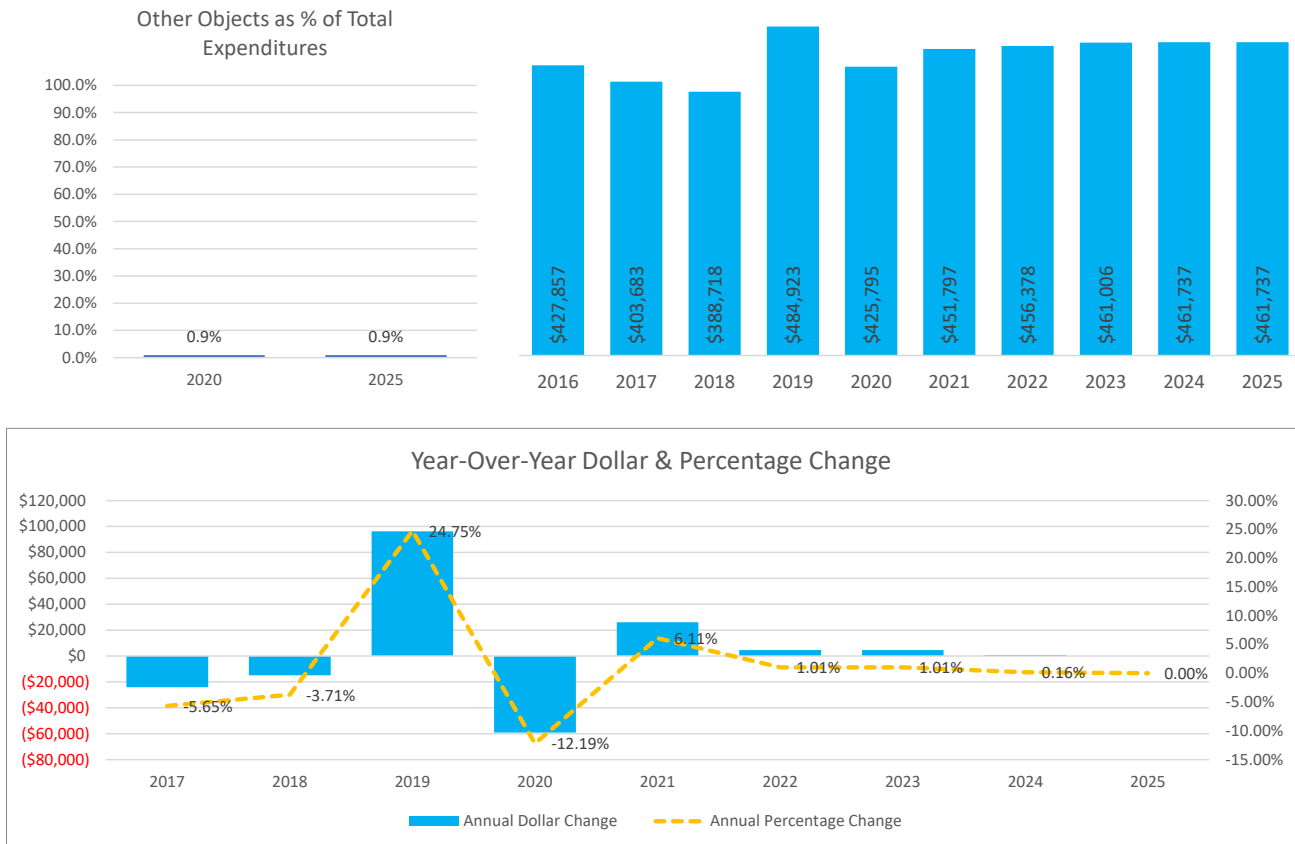
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

## 4.300 - Other Objects

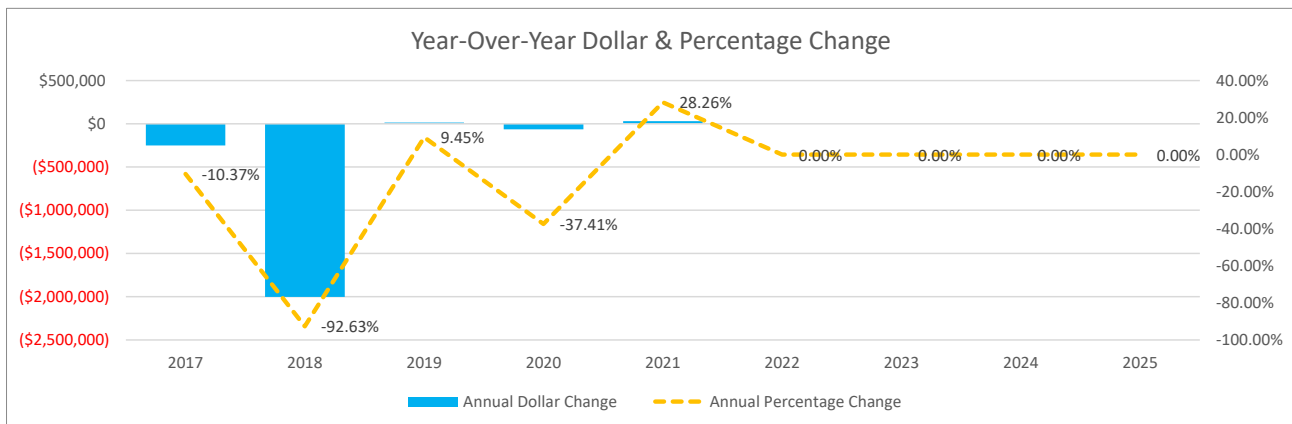
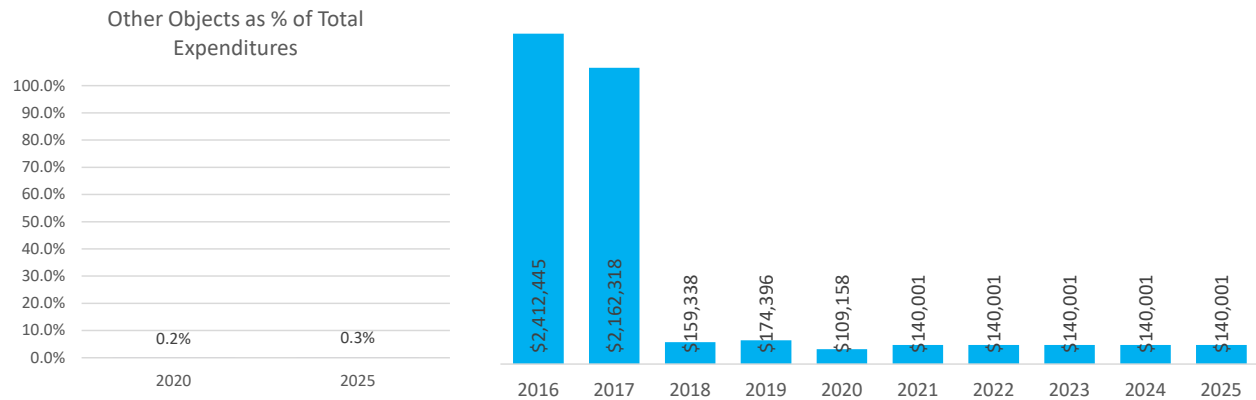
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 0.94% of total expenditures and increased at a historical average annual rate of 2.95%. This category of expenditure is projected to grow at an annual average rate of 1.66% through FY 2025. The projected average annual rate of change is -1.29% 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.



	FORECASTED					
	2020	2021	2022	2023	2024	2025
Transfers Out	109,158	115,001	115,001	115,001	115,001	115,001
Advances Out	-	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 2020 the district had no advances-out and has advances-out forecasted through FY 2025. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2025. 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				
	2020	2021	2022	2023	2024	2025
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	15,767,935	15,945,817	14,107,421	12,003,894	12,154,072	12,298,840
1.020 - Public Utility Personal Property	1,133,802	1,201,117	1,099,404	998,959	1,033,160	1,067,360
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	20,600,385	20,619,630	21,496,761	21,488,224	21,480,895	21,471,655
1.040 - Restricted Grants-in-Aid	749,024	760,625	760,625	760,625	760,625	760,625
1.050 - Property Tax Allocation	2,310,550	2,331,917	2,045,424	1,734,566	1,760,964	1,787,443
1.060 - All Other Operating Revenues	5,196,491	4,041,209	3,862,212	3,639,675	3,491,245	3,374,537
<b>1.070 - Total Revenue</b>	<b>45,758,187</b>	<b>44,900,315</b>	<b>43,371,847</b>	<b>40,625,943</b>	<b>40,680,961</b>	<b>40,760,460</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	32,674	-	-	-	-	-
2.050 - Advances-In	1,551	10,000	25,000	25,000	25,000	25,000
2.060 - All Other Financing Sources	706,970	550,001	550,001	550,001	550,001	550,001
<b>2.070 - Total Other Financing Sources</b>	<b>741,196</b>	<b>560,001</b>	<b>575,001</b>	<b>575,001</b>	<b>575,001</b>	<b>575,001</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>46,499,383</b>	<b>45,460,316</b>	<b>43,946,848</b>	<b>41,200,943</b>	<b>41,255,962</b>	<b>41,335,461</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	23,714,662	23,244,335	24,522,751	24,927,713	25,304,440	25,687,197
3.020 - Employee Benefits	9,675,219	9,833,064	10,390,163	10,819,594	11,409,341	12,074,456
3.030 - Purchased Services	10,370,389	10,481,337	10,505,601	10,217,284	10,440,119	11,266,316
3.040 - Supplies and Materials	830,560	927,140	957,392	990,868	1,025,677	1,025,763
3.050 - Capital Outlay	38,645	17,477	19,475	20,483	21,001	21,001
Intergovernmental & Debt Service	32,674	32,683	32,683	32,683	32,683	32,683
4.300 - Other Objects	425,795	451,797	456,378	461,006	461,737	461,737
<b>4.500 - Total Expenditures</b>	<b>45,087,944</b>	<b>44,987,832</b>	<b>46,884,443</b>	<b>47,469,631</b>	<b>48,694,997</b>	<b>50,569,152</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	109,158	115,001	115,001	115,001	115,001	115,001
5.020 - Advances-Out	-	25,000	25,000	25,000	25,000	25,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>109,158</b>	<b>140,001</b>	<b>140,001</b>	<b>140,001</b>	<b>140,001</b>	<b>140,001</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>45,197,102</b>	<b>45,127,833</b>	<b>47,024,444</b>	<b>47,609,632</b>	<b>48,834,998</b>	<b>50,709,153</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>1,302,281</b>	<b>332,482</b>	<b>(3,077,596)</b>	<b>(6,408,689)</b>	<b>(7,579,037)</b>	<b>(9,373,693)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>10,659,321</b>	<b>11,961,602</b>	<b>12,294,084</b>	<b>9,216,488</b>	<b>2,807,799</b>	<b>(4,771,238)</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>11,961,602</b>	<b>12,294,084</b>	<b>9,216,488</b>	<b>2,807,799</b>	<b>(4,771,238)</b>	<b>(14,144,931)</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>11,961,602</b>	<b>12,294,084</b>	<b>9,216,488</b>	<b>2,807,799</b>	<b>(4,771,238)</b>	<b>(14,144,931)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	2,518,385	5,048,511	4,993,829	4,938,910
11.030 - Cumulative Balance of Levies	-	-	2,518,385	7,566,896	12,560,725	17,499,635
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>11,961,602</b>	<b>12,294,084</b>	<b>11,734,873</b>	<b>10,374,695</b>	<b>7,789,487</b>	<b>3,354,704</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>11,961,602</b>	<b>12,294,084</b>	<b>11,734,873</b>	<b>10,374,695</b>	<b>7,789,487</b>	<b>3,354,704</b>



