

Ashtabula Area City Schools

Five Year Forecast Financial Report

October, 2018

Mark Astorino, CFO

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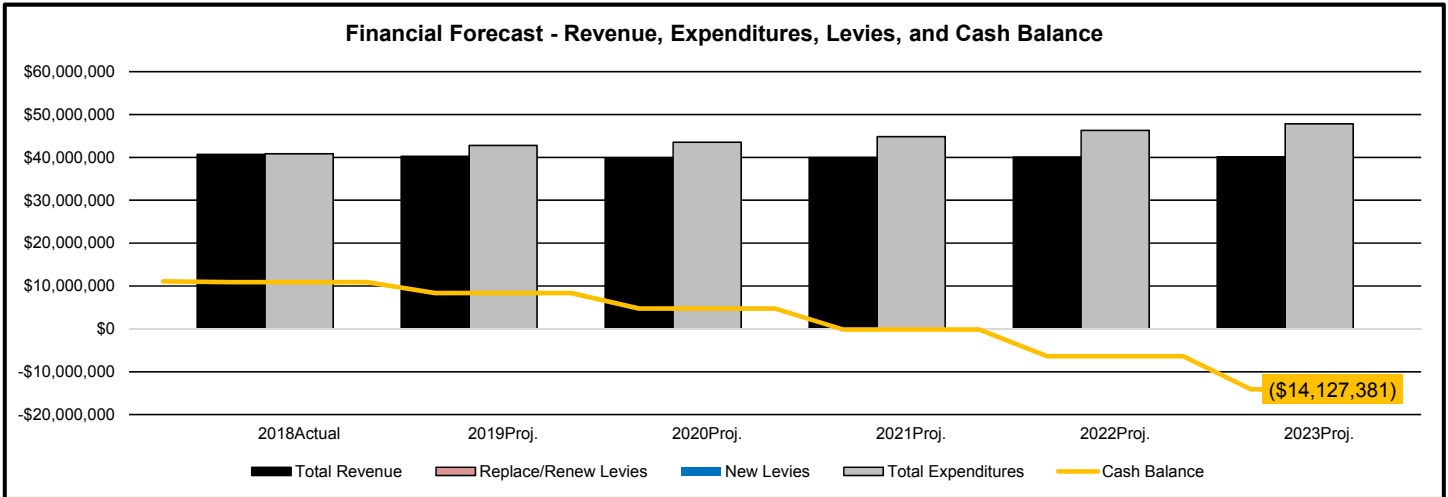
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Forecast Purpose/Objectives

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.



Ashtabula Area City Schools

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	11,201,344	8,662,034	5,032,939	146,033	(6,113,862)
+ Revenue	40,242,734	39,891,068	39,951,101	40,050,775	40,134,504
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(42,782,044)	(43,520,163)	(44,838,007)	(46,310,670)	(47,848,023)
= Revenue Surplus or Deficit	(2,539,310)	(3,629,095)	(4,886,906)	(6,259,895)	(7,713,519)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	8,662,034	5,032,939	146,033	(6,113,862)	(13,827,381)

Analysis Without Renewal Levies Included:

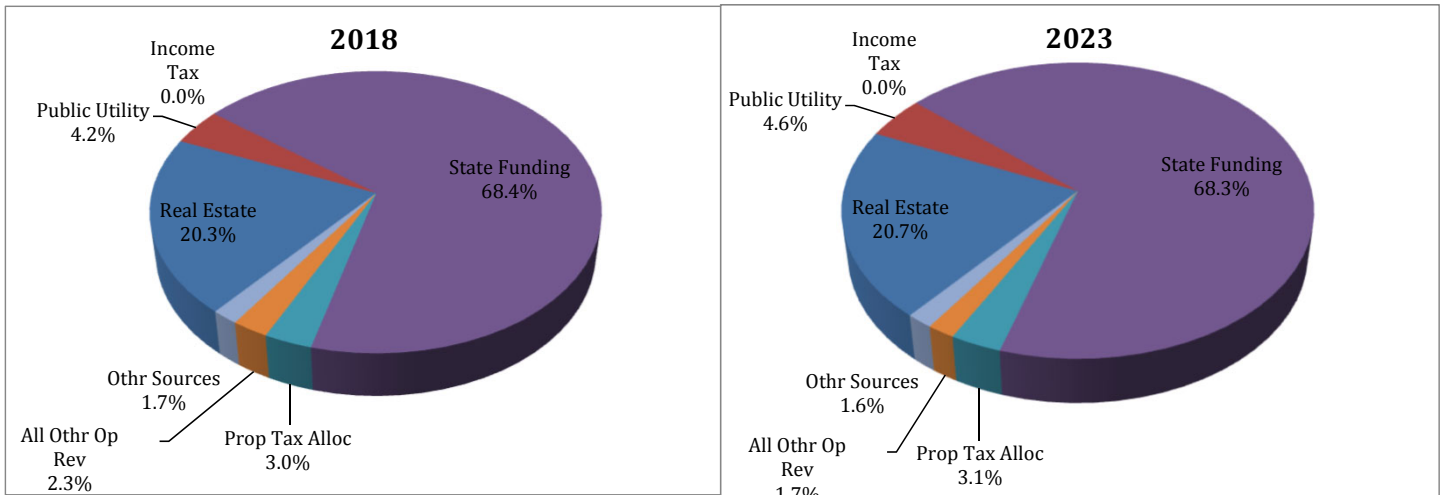
Revenue Surplus or Deficit w/o Levies	(2,539,310)	(3,629,095)	(4,886,906)	(6,259,895)	(7,713,519)
Ending Balance w/o Levies	8,662,034	5,032,939	146,033	(6,113,862)	(13,827,381)

Beginning with the current fiscal year, the district's expenditures will start to exceed annual revenue collections by a sizeable amount. This trend continues throughout the forecasted period. The district's cash balance for the current fiscal year is sufficient to absorb the current year operating deficit.

Even with the implementation of the budget reduction plan in the previous fiscal year, the district's annual operating deficit in future fiscal years grows significantly. By fiscal year 2022, the district will completely liquidate the general fund cash balance, resulting in a negative general fund cash balance for the last two years of the forecast period.

The district will need to continue to explore opportunities to decrease current expenditure levels and/or increase revenue levels within the near future to avoid fiscal instability.

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	
Revenue:							
1.010-Real Estate	1.09%	-2.78%	1.24%	0.73%	0.68%	0.52%	0.08%
1.020-Public Utility	7.83%	0.90%	2.44%	1.71%	1.68%	1.65%	1.68%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	0.85%	-1.17%	0.41%	0.54%	0.36%	0.27%	0.08%
1.040-Restricted Aid	469.86%	-4.43%	-2.97%	-4.03%	-2.77%	-2.14%	-3.27%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-0.14%	-0.43%	0.22%	0.47%	0.46%	0.21%	0.19%
1.060-All Other Operating	7.41%	-0.46%	-25.63%	-5.11%	1.22%	1.22%	-5.75%
1.070-Total Revenue	3.01%	-1.66%	-0.24%	0.15%	0.25%	0.21%	-0.26%
2.070-Total Other Sources	88.75%	32.42%	-28.22%	0.00%	0.00%	0.00%	0.84%
2.080-Total w/Other Srcs	3.10%	-1.09%	-0.87%	0.15%	0.25%	0.21%	-0.27%

Over the past five years, operating revenue has increased by an average rate of 3.01% annually. This has been mainly attributable to increases in state funding and public utility - personal property tax revenue.

Over the next five years, the district is anticipating very little changes in revenue collections, averaging a decrease of .26% annually.

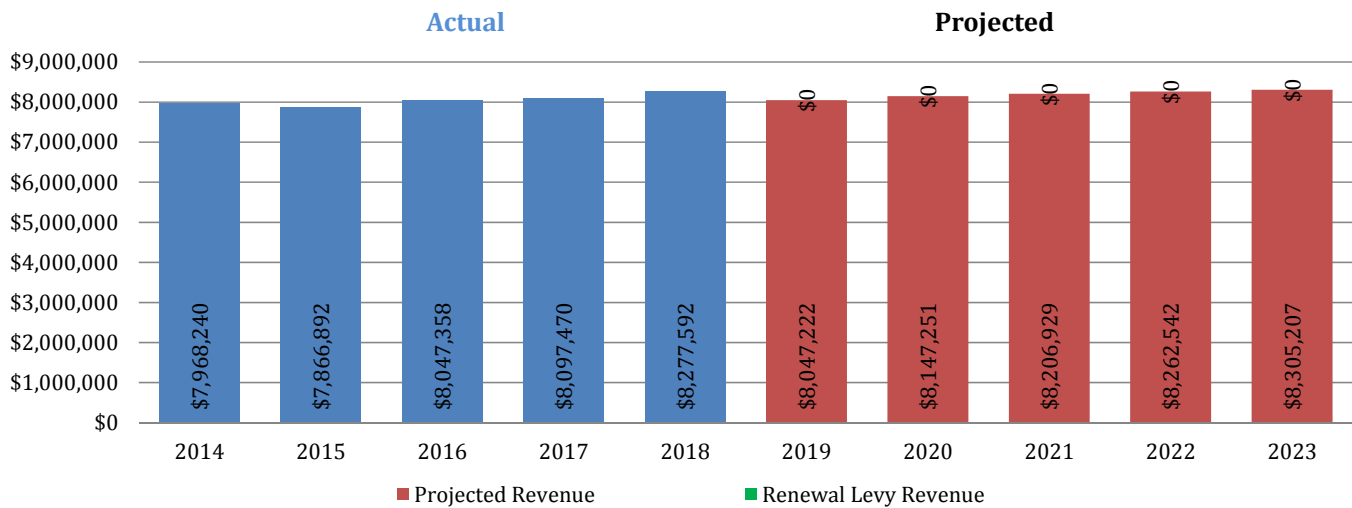
An area of concern, not modeled in this forecast, lies in the district's restricted aid (line 1.040) revenue. It is uncertain if the state will continue to use the district's federal school-wide allowance rather than the actual number of identified students for the economically disadvantaged funding calculation. Using the school-wide percentage for economically disadvantaged funding has increased revenue to the district; cuts to this revenue source by the state would be damaging.

The district's two largest funding categories, real estate revenue and state aid are expected to have minimal changes over the next five years.

The following pages will detail the projections for each line of the revenue in 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).



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	8,277,592	8,047,222	8,147,251	8,206,929	8,262,542	8,305,207
YOY \$ Change	180,122	(230,370)	100,029	59,678	55,613	42,665
YOY % Change	2.2%	-2.8%	1.2%	0.7%	0.7%	0.5%

Percentage of Total Revenue	20.3%	20.0%	20.4%	20.5%	20.6%	20.7%
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Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2017	393,960,100	13,368,790	22.49	(0.77)	29.80	0.10	99.9%
2018	394,872,234	912,134	22.52	0.03	29.93	0.13	97.5%
2019	395,798,708	926,475	22.55	0.03	30.06	0.13	97.4%
2020	405,573,822	9,775,114	22.09	(0.46)	30.06	0.00	97.4%
2021	406,531,029	957,206	22.12	0.03	30.19	0.13	97.4%
2022	407,519,067	988,038	22.15	0.03	30.32	0.13	97.4%

Real estate revenue is the district's second largest form of revenue collected in the General Fund at 20.3% of all revenue collected.

Over the past four years, the district has averaged an annual gross collection rate of 97.7% of real estate taxes. For the current tax year, the district experienced the highest gross collection rate in recent history at 99.95% due to higher delinquency collections and a stable collection rate. For tax years 2019 - 2022, this rate is projected to decrease slightly to 97.45% lower delinquent collections and a projected flat collection rate for class I (residential and agriculture) and class II (business) property.

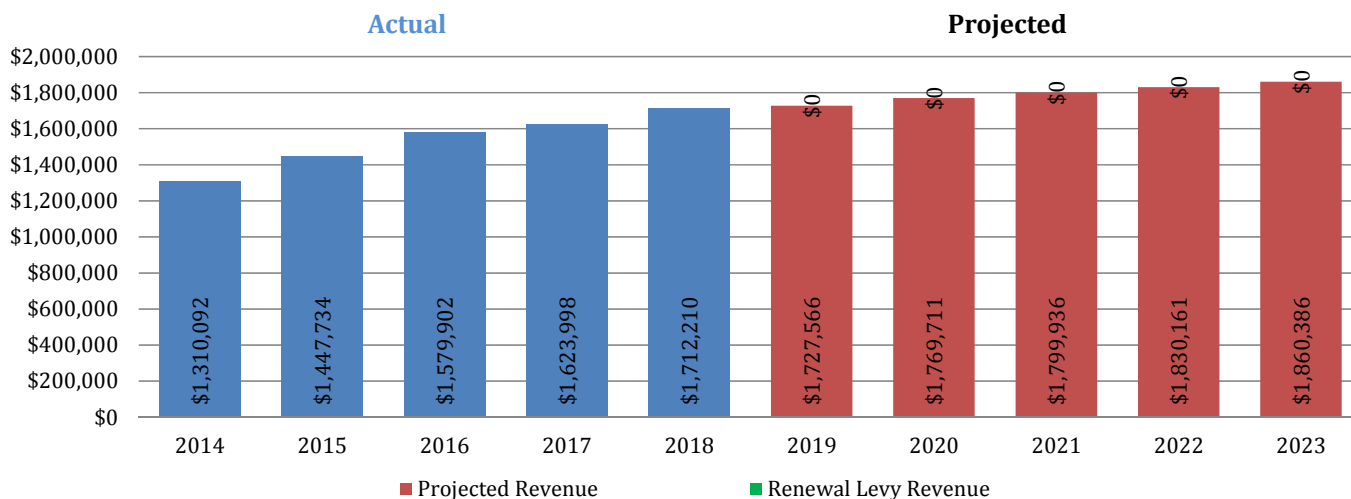
During the 2017 county-wide reappraisal, the district's overall real property valuation increased by \$14.5 million, a significant change from the 2014 triennial update, where total property values decreased by \$26.5 million.

The projections in this current forecast include a smaller increase in values for the 2020 triennial update, with total property value increases of \$10.5 million.

**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	1,712,210	1,727,566	1,769,711	1,799,936	1,830,161	1,860,386
YOY \$ Change	88,212	15,356	42,145	30,225	30,225	30,225
YOY % Change	5.4%	0.9%	2.4%	1.7%	1.7%	1.7%

Percentage of Total Revenue	4.2%	4.3%	4.4%	4.5%	4.6%	4.6%
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Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	42,415,930	1,115,300	40.30	-	100.0%
2018	43,515,930	1,100,000	40.30	-	100.0%
2019	44,265,930	750,000	40.30	-	100.0%
2020	45,015,930	750,000	40.30	-	100.0%
2021	45,765,930	750,000	40.30	-	100.0%
2022	46,515,930	750,000	40.30	-	100.0%

Public Utility - Personal Property tax revenue generates 4.2% of the district's overall revenue.

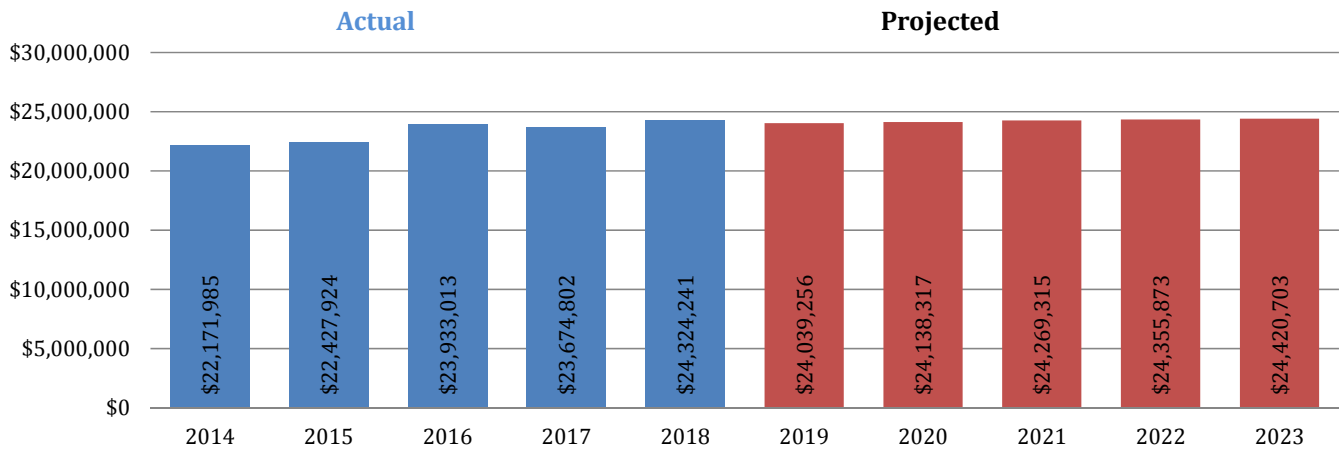
Over the past five years, the district has experienced an average annual increase in these values of 6.2%, increasing the annual revenue collection during that time period by approximately \$402,000.

These values are expected to continue to grow over the next five years by an average annual rate of 1.9%.

*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	24,324,241	24,039,256	24,138,317	24,269,315	24,355,873	24,420,703
YOY \$ Change	649,440	(284,985)	99,061	130,998	86,558	64,830
YOY % Change	2.7%	-1.2%	0.4%	0.5%	0.4%	0.3%

Percentage of Total Revenue	59.8%	59.7%	60.5%	60.7%	60.8%	60.8%
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Core Funding Per Pupil	6,010	6,020	6,050	6,100	6,150	6,200
State Share Index (SSI)	64.1%	64.1%	63.3%	63.3%	61.9%	61.9%
State Core Funding Per Pupil	3,851	3,858	3,831	3,863	3,810	3,841

Formula ADM (Funded Student Count)	3,890	3,785	3,666	3,509	3,405	3,327
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Funding Status	Formula	Formula	Guarantee	Guarantee	Guarantee	Guarantee
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Unrestricted state funding represents the majority of the district's general fund revenue at 59.8%.

Enrollment impacts the level of funding the district receives. Monitoring enrollment is essential to detecting funding variances quickly.

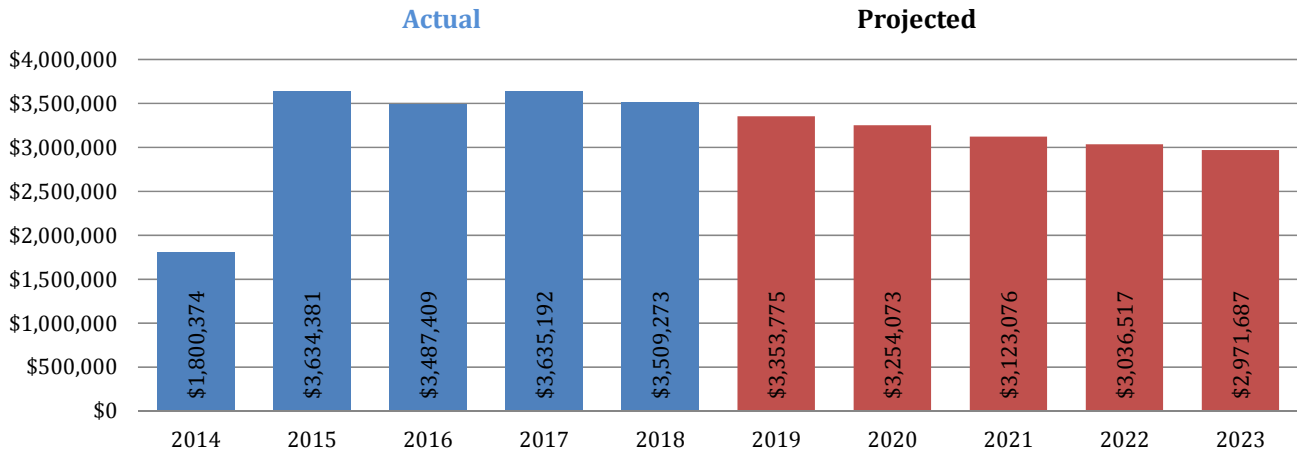
During FY18, the district experienced the smallest kindergarten enrollment class (223 students) in over the past twenty years. For the FY19 school year, the current kindergarten class enrollment is projected to increase to 245 students, however, total enrollment for the district is projected to drop by 60 students.

Based on these enrollment projections, the state foundation calculations show the district will remain a formula district, which means they will receive the actual amount the funding formula calculates they should receive. However, starting in FY20, the district is estimated to be placed on the funding guarantee, which means the funding formula calculates that they will receive less in funding than they did the year before. As a result, the district is estimating that the funding guarantee will permit the district to receive 100% of funding that was received in the previous year.

Should the state legislature include in the next biennium budget a funding guarantee that is below 100%, the district's funding would be reduced accordingly. The FY20 - FY23 state funding projections are calculated using the current state funding formula.

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	3,509,273	3,353,775	3,254,073	3,123,076	3,036,517	2,971,687
YOY \$ Change	(125,919)	(155,498)	(99,702)	(130,997)	(86,559)	(64,830)
YOY % Change	-3.5%	-4.4%	-3.0%	-4.0%	-2.8%	-2.1%
Percentage of Total Revenue	8.6%	8.3%	8.2%	7.8%	7.6%	7.4%
Economic Disadvantaged Funding	3,239,059	3,198,699	3,099,638	2,968,640	2,882,081	2,817,252
Percentage of Disadvantaged Students	89.5%	89.6%	89.6%	89.6%	89.6%	89.6%

The Ohio Department of Education requires that the district classify a portion of the per pupil formula funding as restricted. This is funding for economic disadvantaged, career technical programs and catastrophic special education reimbursements.

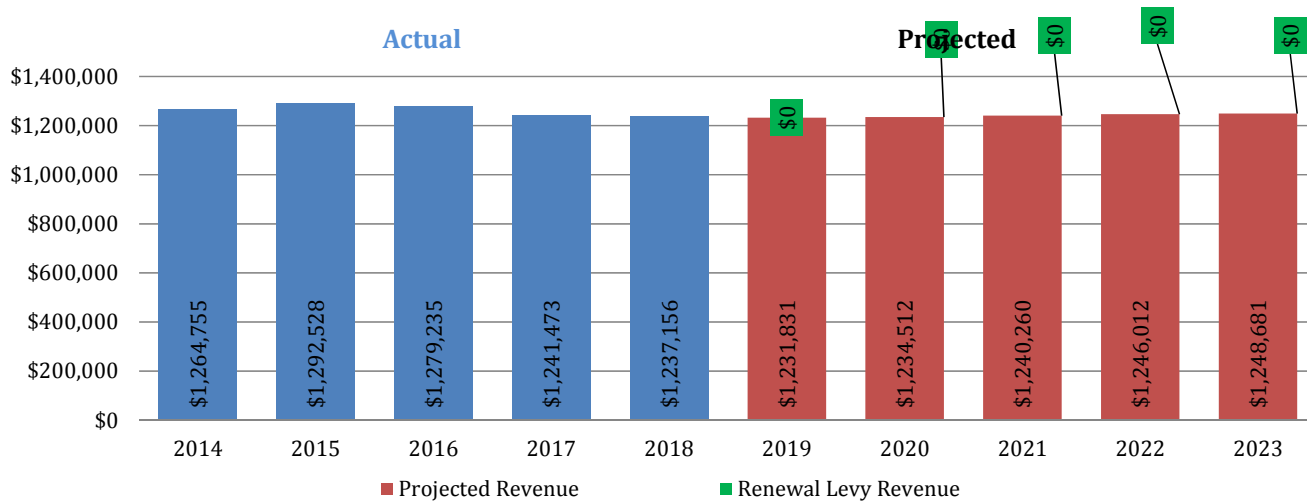
The restricted state funding category is 8.6% of the district's total revenue.

In FY 2015 the district adopted a school-wide classification of economically disadvantaged that elevated funding to almost 90% of district enrollment. It is not known if the state will continue to allow this school-wide designation as the funding threshold. The forecast assumes the state will maintain the current funding method through FY 2023. However, if the funding designation is changed, the forecasted annual funding could be reduced by approximately \$600,000 from the modeled amounts above. A continued decrease in the district's enrollment for the forecast period also causes this funding level to decrease annually through 2023.

Catastrophic special education reimbursements are expected to average \$130,000 annually over the next five years and career technical funding is estimated to average \$24,500 annually.

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	1,237,156	1,231,831	1,234,512	1,240,260	1,246,012	1,248,681
YOY \$ Change	(4,317)	(5,325)	2,681	5,748	5,752	2,669
YOY % Change	-0.3%	-0.4%	0.2%	0.5%	0.5%	0.2%
Percentage of Total Revenue	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%
% of Residential Real Estate 10% Rollback	9.91%	9.91%	9.91%	9.91%	9.91%	9.91%
% of Residential Real Estate 2.5% Rollback	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%
% of Residential Real Estate Homestead	6.55%	6.55%	6.55%	6.55%	6.55%	6.55%

Property tax allocation (PTA) represents 3% of the district's overall general fund revenue and is comprised of two types of revenue - homestead and rollback reimbursements from the state.

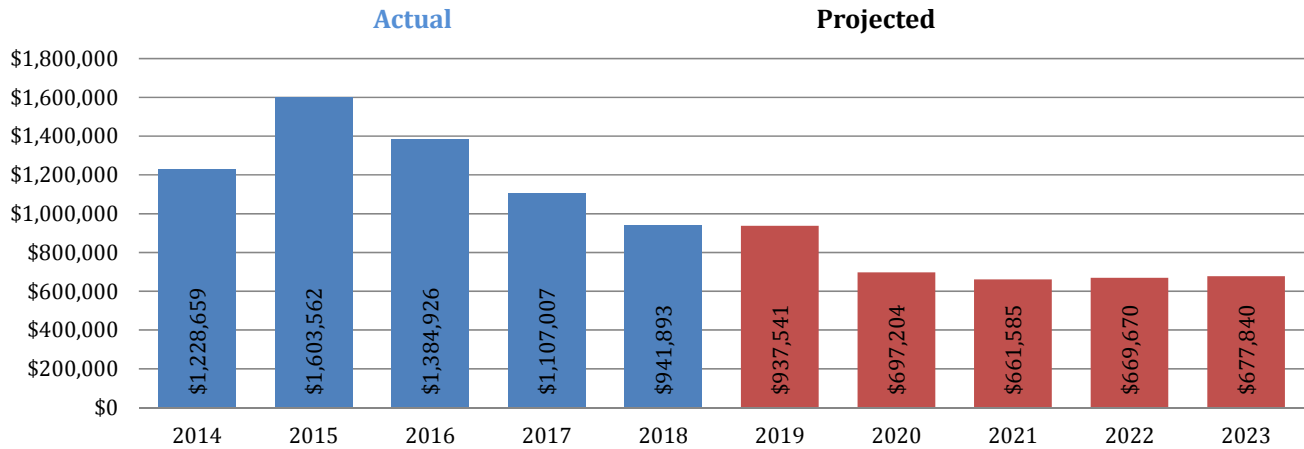
Homestead and rollback reimbursements are state reimbursements for local real estate tax credits (deductions). Local residential real estate taxes are reduced by rollback (12.5% for owner occupied houses) and also for homestead (disabled, senior citizens, etc.).

Rollback reimbursements totaled \$776,244 in FY18 and homestead reimbursements totaled \$460,196. The district anticipates that the revenue levels for the state reimbursements will remain fairly consistent over the next five years of the forecast.

*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	941,893	937,541	697,204	661,585	669,670	677,840
YOY \$ Change	(165,114)	(4,352)	(240,337)	(35,619)	8,085	8,170
YOY % Change	-14.9%	-0.5%	-25.6%	-5.1%	1.2%	1.2%
Percentage of Total Revenue	2.3%	2.3%	1.7%	1.7%	1.7%	1.7%

Other operating revenue represents 2.3% of the district's total revenue, with the largest portion of this revenue coming from open enrollment, investment earnings and federal Medicaid reimbursements.

Tuition revenue represents 45% of revenue collected for this revenue line, with open enrollment being the largest form of tuition. Open enrollment tuition revenue increased by 5.7% during FY18. However, based on the current enrollment data, a decrease of 3.4% is projected for the current fiscal year. Other tuition revenue has fluctuated over the past four years due to the timing of when the Ohio Department of Education (O.D.E.) pays semi-annual tuition payments from other districts. For the current fiscal year, tuition payments from the O.D.E. are declining by \$70,000 based on the current payment schedule.

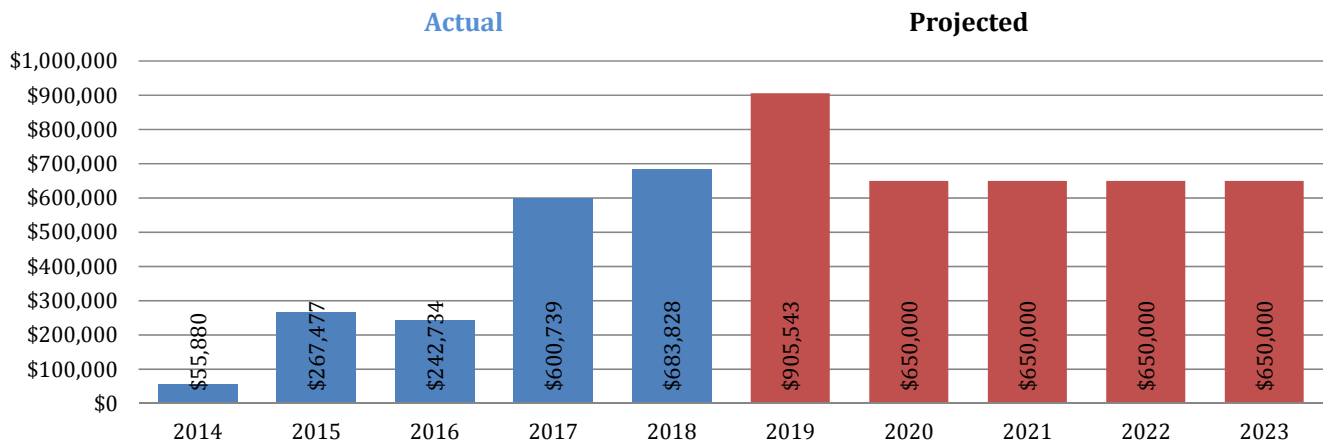
Federal Medicaid revenue payments have historically totaled \$156,000 annually. For the previous fiscal year, these payments dropped to \$43,465. Beginning in the current fiscal year, the district will transfer these funds into the General from from the 019 fund rather than receipt it in the Other Revenue line.

Interest income is increased from \$70,914 in FY17 to \$134,266 in FY18. For the current fiscal year, interest income is expected to total more than \$155,000.

The district also had a one-time receipt of income related to the sale of assets and a workers compensation refund in the current year that increased

2.070 - Total Other Financing Sources

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



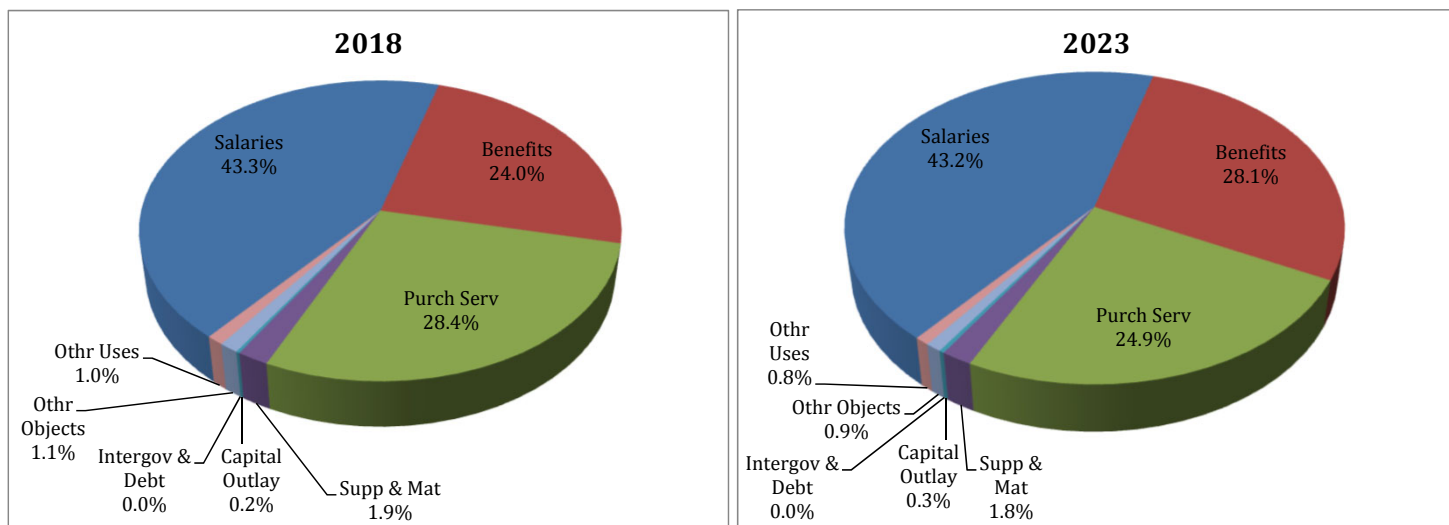
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	683,828	905,543	650,000	650,000	650,000	650,000
YOY \$ Change	83,088	221,715	(255,543)	-	-	-
YOY % Change	13.8%	32.4%	-28.2%	0.0%	0.0%	0.0%
Percentage of Total Revenue	1.7%	2.3%	1.6%	1.6%	1.6%	1.6%
Transfers In	250,000	400,000	400,000	400,000	400,000	400,000
Advances In	347,191	415,543	200,000	200,000	200,000	200,000

Other sources includes \$415,543 in current year return of advances and \$200,000 in return of advances to the general fund for subsequent years. These advances are the return of temporarily loaned dollars to other funds such as federal grants awaiting funding. The advances returned reflected here correlate with the advances out in the other uses expenditure note.

\$90,000 in refunds of prior year expenses are also projected to be posted to this revenue line for FY19. Subsequent fiscal year's refunds are budgeted at \$50,000 annually.

In FY16 the district transferred its Medicaid revenues to 019 0000 Medicaid Fund. The rationale for this decision is that Medicaid audit is two (2) fiscal years in arrears and the district does not want to appropriate any of the Medicaid funds until fully audited and the risk of findings and repayment have passed. Commencing in FY19, the district is reporting a Transfer-In of \$400,000 annually from the Medicaid Fund to the General Fund.

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	
Expenditures:							
3.010-Salaries	1.63%	6.68%	1.36%	2.49%	2.65%	2.65%	3.17%
3.020-Benefits	4.68%	8.73%	4.73%	6.30%	6.40%	6.45%	6.52%
3.030-Purchased Services	6.74%	-0.83%	-0.43%	0.96%	1.43%	1.37%	0.50%
3.040-Supplies & Materials	4.17%	0.94%	2.38%	2.38%	2.38%	2.38%	2.09%
3.050-Capital Outlay	317.60%	60.74%	-0.56%	0.00%	0.00%	0.00%	12.03%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	0.83%	-12.60%	2.00%	2.01%	1.92%	1.93%	-0.95%
4.500-Total Expenditures	3.70%	4.81%	1.74%	3.06%	3.31%	3.35%	3.25%
5.040-Total Other Uses	59.17%	-3.74%	0.00%	0.00%	0.00%	0.00%	-0.75%
5.050-Total w/Other Uses	3.84%	4.72%	1.73%	3.03%	3.28%	3.32%	3.22%

Over the past five years, the district's operating expenditures have increased by an average of 3.70% annually. The majority of these increases are the result of rising health insurance costs and increases in purchased service expenditures.

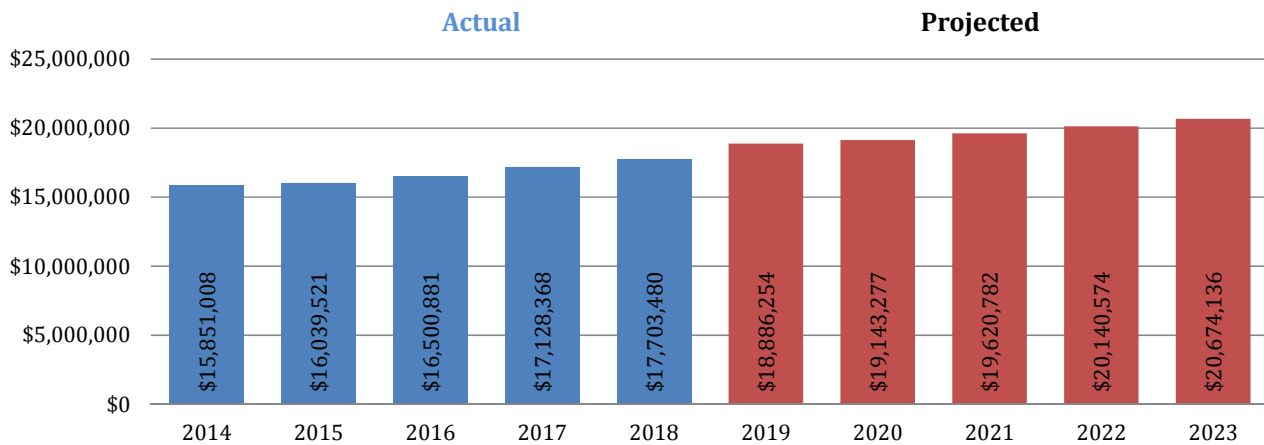
For the next five years, the district is projecting that operating expenses will increase by an average of 3.22% annually.

The increase in current year expenses have a large impact on the five year average increase. Even with the budget reduction plan that was implemented in the prior year, increases in salary and benefit related expenses are the largest factor effecting the year over year increases in expenditures.

The following pages will detail the projections for each line of the expenditures 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	17,703,480	18,886,254	19,143,277	19,620,782	20,140,574	20,674,136
YOY \$ Change	575,112	1,182,774	257,023	477,505	519,792	533,562
YOY % Change	3.4%	6.7%	1.4%	2.5%	2.6%	2.6%
Percentage of Total Budget	43.3%	44.1%	44.0%	43.8%	43.5%	43.2%

The salaries expense category represents 43.3% of the overall budget, and is the district's largest expense category.

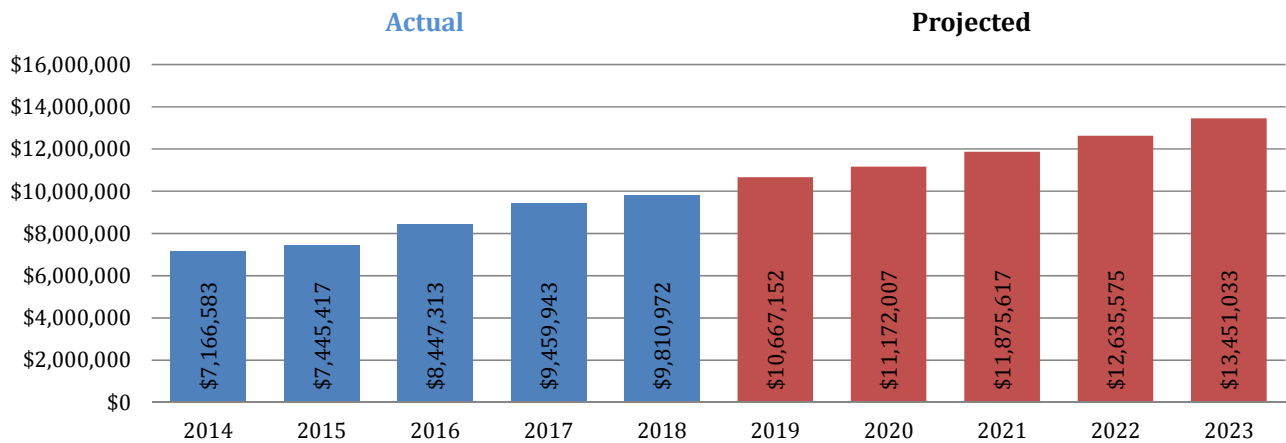
For the current fiscal year, the district had a number of staffing changes that caused an increase to salary expenses of \$403,217. A portion of the positions that are included in the current year salary expense projections will be reduced between FY20 and FY21 by \$239,762. Furthermore, the district agreed to one-time bonuses that were paid during the current year totaling \$201,100. The current year projections also include a expenses associated with a faculty manager position that has yet to be filled.

Increases in overtime, substitute costs and severance expenses are expected to further increase the current year salaries by \$35,800.

For FY 2019 to FY 2023, additional changes in the salary line item have been projected using estimated increases resulting from staff progression on the salary schedule, steps and degree changes, as well as increases to the base salaries per the terms of both the certified and classified negotiated agreements.

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	9,810,972	10,667,152	11,172,007	11,875,617	12,635,575	13,451,033
YOY \$ Change	351,029	856,180	504,855	703,610	759,958	815,458
YOY % Change	3.7%	8.7%	4.7%	6.3%	6.4%	6.5%
Percentage of Total Budget	24.0%	24.9%	25.7%	26.5%	27.3%	28.1%

Prior to 2013, benefits and retirement related expenses had always been the district's second largest expense. However, since 2013 this expense category is now the third largest General Fund expense and represents 24% of the overall budget.

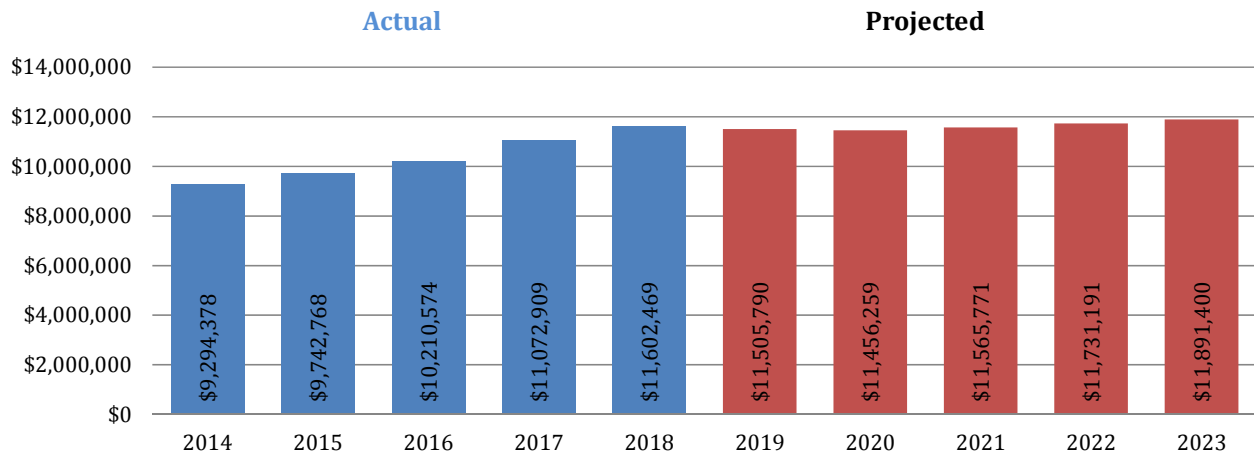
Between FY16 and FY17, medical insurance premiums increased significantly, going up 29% over the two year period. In addition, the vision premiums increased by 23% in FY17 and dental premiums increased by 10%. For FY18, the district did not have an increase in insurance premiums, however, overall health insurance costs increased due to the district hiring additional staff and/or moving staff from federal grant funds to the general fund.

For the current and subsequent fiscal years, an 8% increase in medical premiums has been projected. The changes in staffing for FY19 have also increased health insurance costs, as well as, salary driven benefits.

Retirement and other salary driven fringe benefits are anticipated to increase by more than \$231,091 during the current fiscal year due to changes in staffing and increases in wages.

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	11,602,469	11,505,790	11,456,259	11,565,771	11,731,191	11,891,400
YOY \$ Change	529,560	(96,679)	(49,531)	109,512	165,420	160,209
YOY % Change	4.8%	-0.8%	-0.4%	1.0%	1.4%	1.4%
Percentage of Total Budget	28.4%	26.9%	26.3%	25.8%	25.3%	24.9%

Purchased services represents 28.4% of total general fund expenditures and is the second largest general fund expense category.

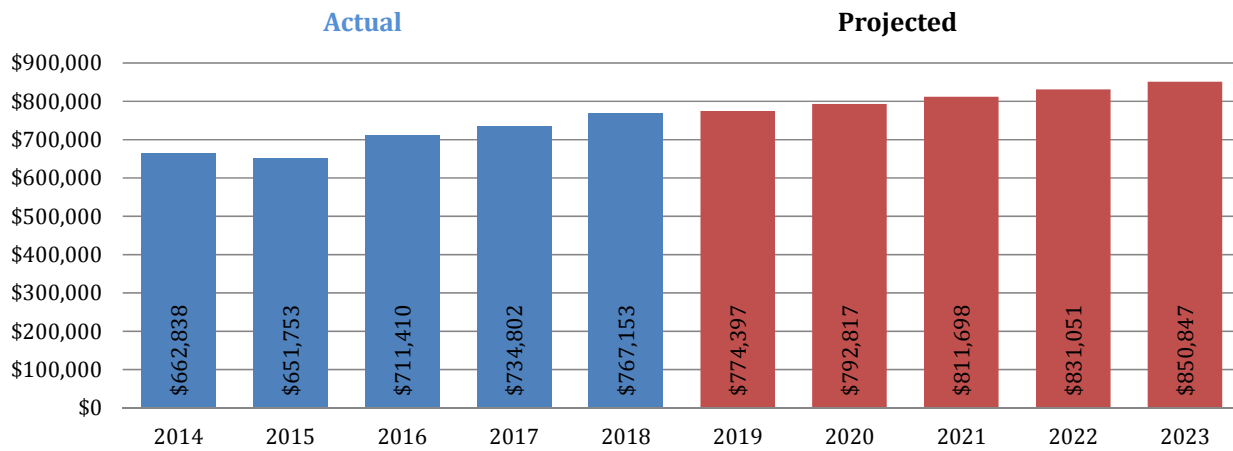
Tuition related expenses totaled \$6,948,000 in FY18 and are expected to decrease by \$349,610 in the current fiscal year. Reductions in open enrollment expenses of \$250,000 based on current enrollment data is the largest factor causing this year-over-year decrease, followed by a reduction of \$110,000 in SF14 tuition expenses due to the timing of when the O.D.E. charged districts for this type of tuition in previous years.

Repair and maintenance costs have increased from \$311,990 in FY16 to \$1,038,663 in FY18 due to increasing repair costs to district facilities. A reduction of only \$39,000 is expected for the current fiscal year, followed by an additional \$100,000 reduction in FY20.

Professional Services/Contracted Services totaled \$2,124,000 in FY18 and are expected to increase by \$257,804 in FY19 due to increases in OT/PT services, increases in business service expenses, the addition of student resource officers and additional EMIS purchased services. An overall decrease of \$70,000 is projected for professional services starting in FY20 followed by increases due to inflationary growth in FY21-FY23.

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	767,153	774,397	792,817	811,698	831,051	850,847
YOY \$ Change	32,351	7,244	18,420	18,881	19,353	19,796
YOY % Change	4.4%	0.9%	2.4%	2.4%	2.4%	2.4%
Percentage of Total Budget	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%

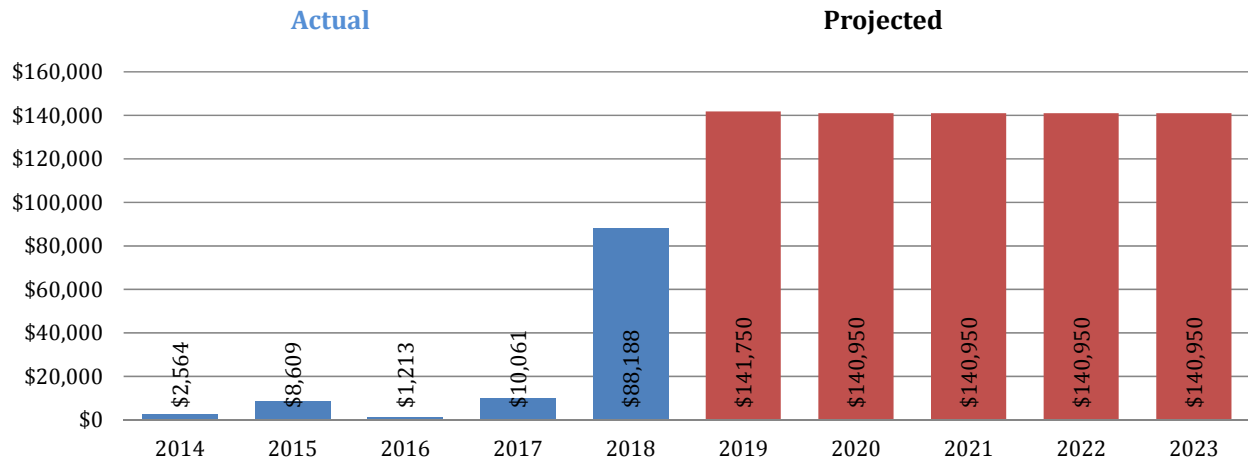
Supplies and materials represents 1.9% of the total General Fund budget.

From FY17 to FY18, the district experienced decreases in general/instructional supply costs, as well as, custodial supply costs. Transportation supply costs were the only type of supply that experienced an increase during this time growing from \$243,531 to \$281,807. An additional annual increase of 3% has been budgeted for transportation supplies, including bus fuel for FY19 - FY23.

General/instructional supplies and custodial/maintenance supplies are expected to remain fairly consistent for FY19 and increase in FY20 - FY23 by 2% annually due to inflationary increases.

3.050 - Capital Outlay

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



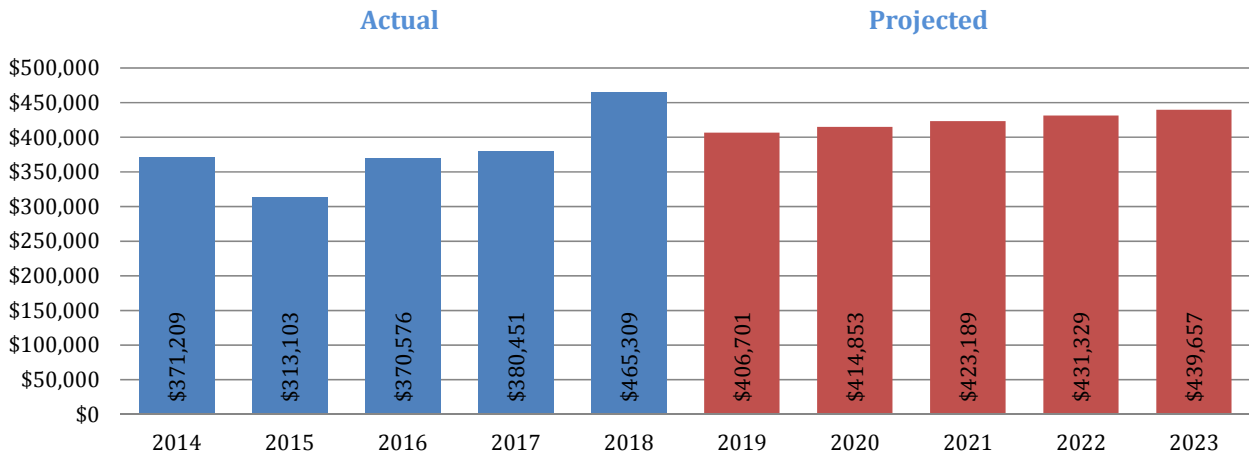
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	88,188	141,750	140,950	140,950	140,950	140,950
YOY \$ Change	78,127	53,562	(800)	-	-	-
YOY % Change	776.5%	60.7%	-0.6%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%

For FY17 and prior fiscal years, capital outlay expenses represented a minimal percentage of the district's overall General Fund budget.

In FY18 the district expended \$140,950 on replacement equipment purchases. FY19 and subsequent fiscal years are expected to maintain at the FY18 spending level to pay for new and replacement equipment purchases.

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.



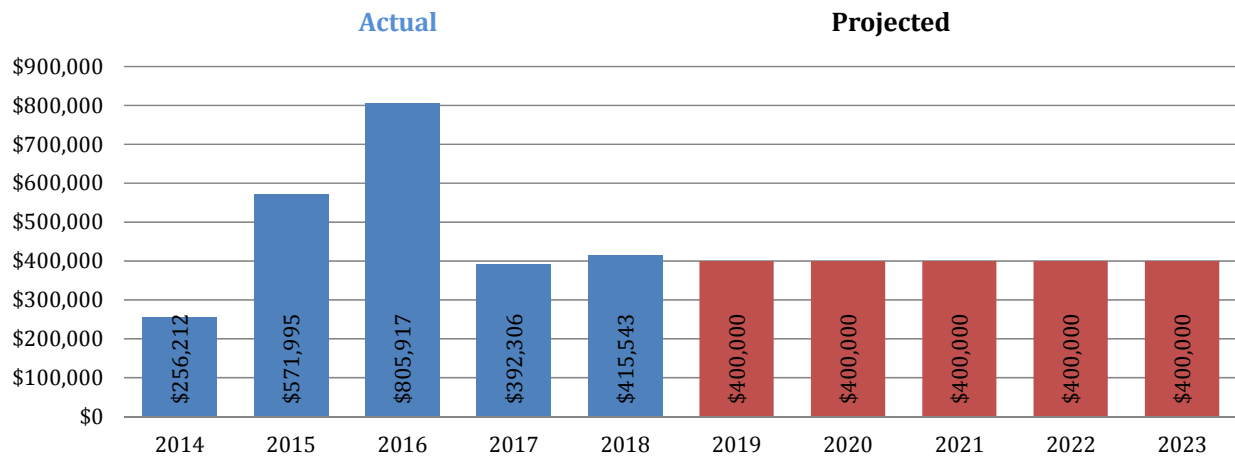
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	465,309	406,701	414,853	423,189	431,329	439,657
YOY \$ Change	84,858	(58,608)	8,152	8,336	8,140	8,328
YOY % Change	22.3%	-12.6%	2.0%	2.0%	1.9%	1.9%
Percentage of Total Budget	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%

Other objects are about 1% of the total expenditures, with the largest components being the County Auditor and Treasurer fees for the collection of local property taxes (\$201,986), annual audit costs (\$65,973) and county educational service center expenses (\$23,023). The remainder of this expense line is related to dues, fees and membership expenses.

Due to one-time settlement expenses incurred during the FY18, overall other object expenses increased by \$95,000.

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	415,543	400,000	400,000	400,000	400,000	400,000
YOY \$ Change	23,237	(15,543)	-	-	-	-
YOY % Change	5.9%	-3.7%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	1.0%	0.9%	0.9%	0.9%	0.9%	0.8%
Transfers Out	-	200,000	200,000	200,000	200,000	200,000
Advances Out	415,543	200,000	200,000	200,000	200,000	200,000

Other uses include year-end advances (temporary loans) which totaled \$415,543 in FY18 and are projected at \$200,000 for FY19-FY23, and also fund-to-fund transfers that are projected to be \$125,000 to the district's employee severance fund (035), and \$37,000 to the athletic fund and \$38,000 for other miscellaneous funds for the five year forecast period.

Ashtabula Area City Schools

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
Revenue:						
1.010 - General Property Tax (Real Estate)	8,277,592	8,047,222	8,147,251	8,206,929	8,262,542	8,305,207
1.020 - Public Utility Personal Property	1,712,210	1,727,566	1,769,711	1,799,936	1,830,161	1,860,386
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	24,324,241	24,039,256	24,138,317	24,269,315	24,355,873	24,420,703
1.040 - Restricted Grants-in-Aid	3,509,273	3,353,775	3,254,073	3,123,076	3,036,517	2,971,687
1.050 - Property Tax Allocation	1,237,156	1,231,831	1,234,512	1,240,260	1,246,012	1,248,681
1.060 - All Other Operating Revenues	941,893	937,541	697,204	661,585	669,670	677,840
1.070 - Total Revenue	40,002,366	39,337,191	39,241,068	39,301,101	39,400,775	39,484,504
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	250,000	400,000	400,000	400,000	400,000	400,000
2.050 - Advances-In	347,191	415,543	200,000	200,000	200,000	200,000
2.060 - All Other Financing Sources	86,637	90,000	50,000	50,000	50,000	50,000
2.070 - Total Other Financing Sources	683,828	905,543	650,000	650,000	650,000	650,000
2.080 - Total Rev & Other Sources	40,686,193	40,242,734	39,891,068	39,951,101	40,050,775	40,134,504
Expenditures:						
3.010 - Personnel Services	17,703,480	18,886,254	19,143,277	19,620,782	20,140,574	20,674,136
3.020 - Employee Benefits	9,810,972	10,667,152	11,172,007	11,875,617	12,635,575	13,451,033
3.030 - Purchased Services	11,602,469	11,505,790	11,456,259	11,565,771	11,731,191	11,891,400
3.040 - Supplies and Materials	767,153	774,397	792,817	811,698	831,051	850,847
3.050 - Capital Outlay	88,188	141,750	140,950	140,950	140,950	140,950
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	465,309	406,701	414,853	423,189	431,329	439,657
4.500 - Total Expenditures	40,437,571	42,382,044	43,120,163	44,438,007	45,910,670	47,448,023
Other Financing Uses						
5.010 - Operating Transfers-Out	-	200,000	200,000	200,000	200,000	200,000
5.020 - Advances-Out	415,543	200,000	200,000	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	415,543	400,000	400,000	400,000	400,000	400,000
5.050 - Total Exp and Other Financing Uses	40,853,114	42,782,044	43,520,163	44,838,007	46,310,670	47,848,023
6.010 - Excess of Rev Over/(Under) Exp	(166,920)	(2,539,310)	(3,629,095)	(4,886,906)	(6,259,895)	(7,713,519)
7.010 - Cash Balance July 1 (No Levies)	11,368,264	11,201,344	8,662,034	5,032,939	146,033	(6,113,862)
7.020 - Cash Balance June 30 (No Levies)	11,201,344	8,662,034	5,032,939	146,033	(6,113,862)	(13,827,381)
		Reservations				
8.010 - Estimated Encumbrances June 30	300,000	300,000	300,000	300,000	300,000	300,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	10,901,344	8,362,034	4,732,939	(153,967)	(6,413,862)	(14,127,381)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	10,901,344	8,362,034	4,732,939	(153,967)	(6,413,862)	(14,127,381)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	10,901,344	8,362,034	4,732,939	(153,967)	(6,413,862)	(14,127,381)