

Ashtabula Area City Schools

TOGETHER - Preparing EVERY Student for Future Success.



Fiscal Year 2021

July 1, 2020 – June 30, 2021

Financial Annual Report



Letter from the Treasurer

I am pleased to enclose this summary financial information for the Ashtabula Area City School District. This information is intended to provide an update on the fiscal status of your school district and is another tool to keep the community informed about how resources are being used to enhance student learning and activities.

Last school year (2020/2021) saw the continuation of challenges due to the Covid-19 pandemic. The education world was turned upside down as it attempted to provide a continuum of learning albeit in a much different format. Even as we began this school year, the delivery of educational services and overall operations of the school district remain impacted by the pandemic.

As we receive approximately 64% of our day-to-day funding from the state, it is the most important revenue stream for our school district. We were excited by the news in June 2021, whereby Governor Mike DeWine signed into law Ohio's Fiscal Year 2022-2023 budget bill. Amended Sub. House Bill 110 included a major funding change for Ohio schools. Although not fully funded, this funding model represents a fundamental overhaul of the state's method for funding public schools. The formula is a variable per-pupil base cost computed for each school district. It is estimated the statewide average base cost per pupil will be \$7,202; whereas, under the old school funding formula, the per-pupil cost was set at \$6,020. The funding formula is only established for FY 2022 through FY 2023, meaning the General Assembly will need to address school funding again in the next state budget cycle.

Please be assured that our commitment to providing an exceptional education for our students will continue as we address anticipated shortfalls in funding through transparent reporting, careful budgeting and responsible stewardship of district resources. We hope that you find this financial information helpful. You can find the district five-year forecast on the district website. Please contact the Treasurer's office if you would like to receive a hard copy of the forecast or any other financial information.

Sincerely,

Mark J. Astorino
Chief Financial Officer and Treasurer

General Fund Summary of Revenues and Expenditures

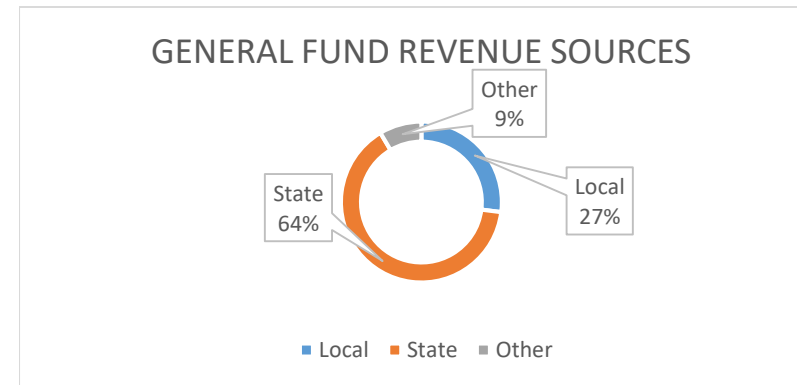
Fiscal Year 2021 Unaudited

Revenue:	
General Property Tax (Real Estate)	8,497,934
Public Utility Personal Property	1,923,317
Unrestricted Grants-in-Aid (State Funding)	23,920,212
Restricted Grants-in-Aid (State Funding)	3,735,133
Property Tax Allocation	1,158,798
Other Operating Revenues/Transfers In	3,652,075
Total Revenue	<u>\$42,887,469</u>

Expenditures:	
Personnel Costs	17,286,869
Employees' Retirement, Insurance and Benefits	10,992,887
Purchased Services	11,629,741
Supplies and Materials	655,955
Capital Outlay	69,857
Other Expenditures/Transfers Out	5,839,290
Total Expenditures	<u>\$46,474,599</u>

Financial Focus

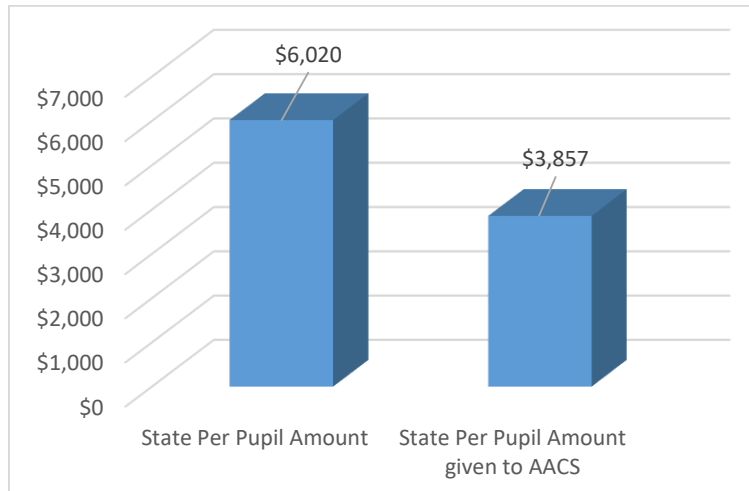
What is the district's revenue?



Like most school districts in Ohio, Ashtabula Area City Schools receives nearly all of its funding from two sources. First is the state. We receive approximately 64% of our day-to-day operations from the state. The district receives 27% from local resident and business taxes, fees and interest. These revenues pay for things such as teachers, support staff, administration, learning resources, utilities and maintenance.

Per Pupil Funding

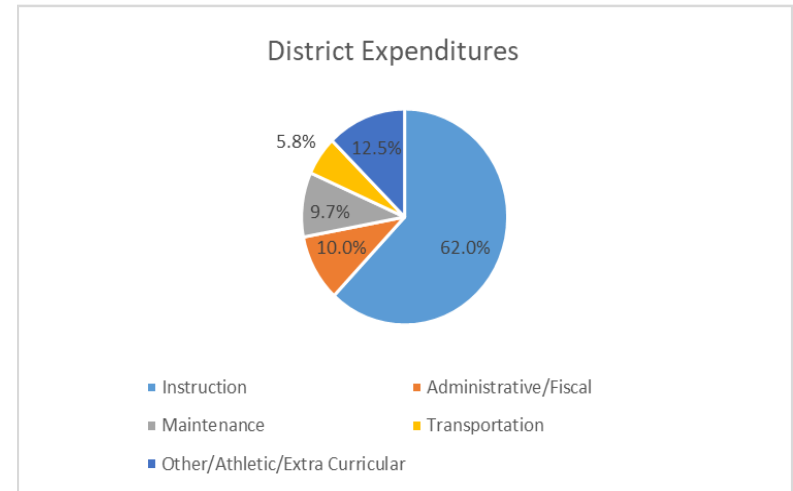
How much does the district receive per pupil from the State?



The district receives 64.07% of the full state Per Pupil amount because of state funding formula reductions based on property values and income levels of district residents.

Accountability of Funds

What are our spending priorities?



One way to tell an organization's priorities is to look at its budget. We direct our funds to where we feel they will do the most good – the classroom. We spend 62% of our day-to-day operations on instruction and instructional support. Other key areas include 10% on administrative and fiscal, 9.7% on maintenance and facilities, 5.8% on transportation and 12.5% on other expenditures including Athletics and Extra Curricular.

General Fund Revenue

Local Property Taxes: \$11,580,049

Taxes collected by the district on the assessed valuation of property located within the Ashtabula Area City School District. This includes personal property tax and property tax allocation.

State Funds: \$27,655,345

Money received through the state based on their foundation formula. This includes money for special education and transportation.

Other: \$3,652,075

Includes general fund transfers in, interest income, building rental, miscellaneous income and various fees.

General Fund Expenditures

Salaries: \$17,286,869*

Salary and wage payments for District employees.

Benefits: \$10,992,887*

Health Insurance, pension, workers' compensation and Medicare tax payments for District employees.

Purchased Services: \$11,629,741

Professional services, open enrolled out tuition, maintenance and utilities.

Supplies: \$655,955

Instructional supplies, materials, textbooks, maintenance supplies and fuel.

Other: \$5,909,147

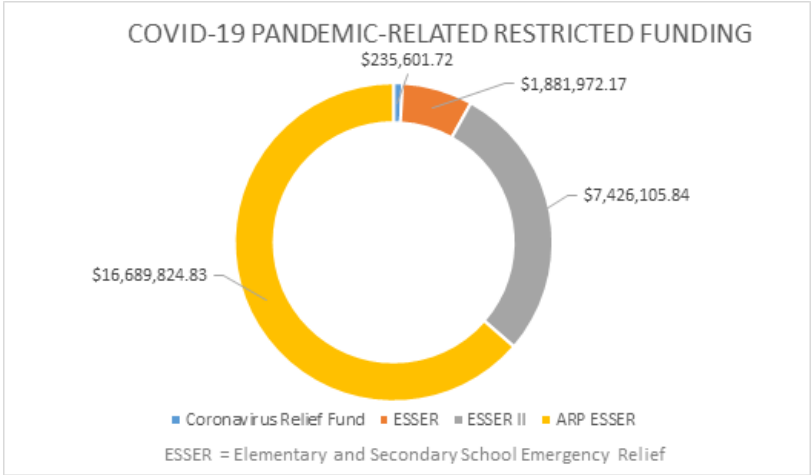
Includes general fund transfers out, capital and other expenditures.

**Does not include wages and benefits moved out of the general fund to the ESSER fund(s).*

Covid-19 Pandemic Related Restricted Funding

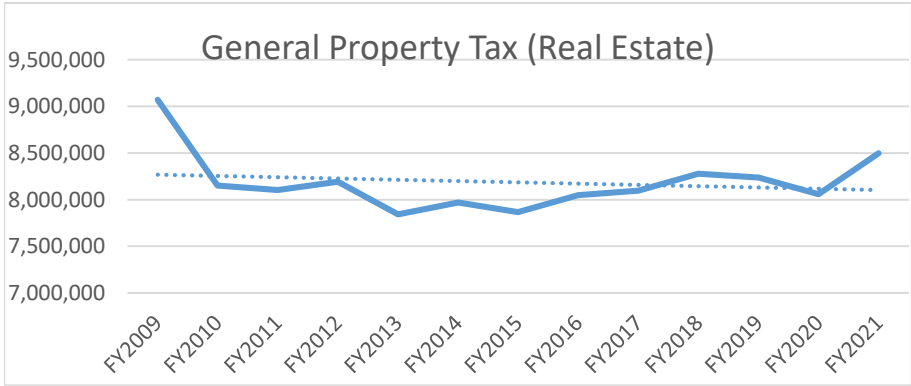
Funds relating to Covid-19 were awarded to the State of Ohio as Federal Financial Assistance from the U.S. Dept. of Treasury and passed on to Ohio school districts. These funds were restricted in nature and intended to provide Covid-19 relief by paying for expenses associated with safely reopening schools, sustaining the safe and healthy operation of schools, learning loss and other factors affecting the coronavirus pandemic on students.

ESSER Covid-19 related funding for Ashtabula Area City Schools is depicted in the following chart. The availability of these funds span fiscal years 2021-2024.



Operating Levies

The district relies on voted tax millage to fund operations. Currently the district receives \$8.5 million or 19.8% of its revenue from existing operating levies. The district has not had any new operating levies since 2003.



Maintenance, Buildings and Grounds

How does the district spend permanent improvement funds?

We take the responsibility of efficiently utilizing these funds, entrusted to us by the voters of the community, very seriously.

Ashtabula Area City Schools have two tax levies that provide funding for our district's permanent improvement projects.

- A **1.25 mill permanent improvement** levy dedicated to 'Textbooks and Technology'. These funds are used to purchase instructional materials for the classroom such as textbooks, computers, Chromebooks, printers, and projectors. This levy generates approximately \$530,000 per year.
- A **2.5 mill permanent improvement** levy dedicated to 'Maintenance and Capital Projects' These funds are used for the care and repair of buildings, paving, school bus maintenance and replacement, security upgrades, and other capital projects. This levy generates approximately \$1,000,000 per year.

District Profile

Schools

Lakeside High School	Grades 9-12
Lakeside Junior High School	Grades 7-8
Erie Intermediate School	Grades 5-6
Superior Intermediate School	Grades 3-4
Ontario Primary School	Grade 2
Huron Primary School	Grade 1
Michigan Primary School	Grades Pk - K

Average Enrollment 3,240

Employees

Administrative/Central Office	37
Certified/Licensed	234
Classified	166

Financial Overview

Property Valuation \$471,025,200

Millage

Inside Millage	4.2
Outside Voted Millage	36.1
Class 1 Effective Millage	24.56
Perm. Improvement Levy Millage	3.75
Bond Levy Millage	5
Ohio School Facilities Millage	.5

Appropriations

General Fund	\$46.6 million
Total All Funds	\$74.9 million

Expenditure per Pupil \$14,878

Average Teacher Salary \$58,359

Average Administrator Salary \$63,989