

Strongsville City Schools
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Revenue:								
1.010 - General Property Tax (Real Estate)	44,969,504	47,132,420	47,922,670	46,849,475	47,135,596	47,222,559	47,183,706	47,114,718
1.020 - Public Utility Personal Property	2,487,339	2,629,579	2,728,201	2,806,950	2,821,544	2,835,582	2,835,582	2,835,582
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,932,508	11,052,774	11,899,808	10,278,450	9,754,548	9,298,728	9,296,112	8,864,646
1.040 - Restricted Grants-in-Aid	69,999	60,887	73,299	72,256	71,286	70,583	69,954	69,597
1.045 - Restricted Federal Grants-in-Aid - SFSP	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	9,766,953	8,305,124	6,913,489	6,091,588	6,125,559	6,149,728	6,149,728	6,159,137
1.060 - All Other Operating Revenues	4,318,754	3,604,535	3,831,739	4,325,395	3,724,999	3,699,999	3,674,999	3,674,999
1.070 - Total Revenue	71,545,057	72,785,319	73,369,206	70,424,114	69,633,532	69,277,178	69,210,081	68,718,679
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	47,582	-	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	258,418	97,239	55,492	185,000	22,000	22,000	22,000	22,000
2.070 - Total Other Financing Sources	306,000	97,239	55,492	185,000	22,000	22,000	22,000	22,000
2.080 - Total Revenues and Other Financing Sources	71,851,057	72,882,558	73,424,698	70,609,114	69,655,532	69,299,178	69,232,081	68,740,679
Expenditures:								
3.010 - Personnel Services	39,530,009	38,962,973	39,382,911	40,877,179	41,469,857	42,175,078	42,881,160	43,534,378
3.020 - Employees' Retirement/Insurance Benefits	16,707,172	16,229,383	15,857,051	17,123,883	17,798,083	18,449,582	19,359,170	20,314,076
3.030 - Purchased Services	6,174,920	6,562,467	6,735,972	7,901,693	8,037,662	8,134,173	8,234,043	8,338,482
3.040 - Supplies and Materials	2,026,609	1,716,053	1,869,948	2,385,161	2,321,261	2,321,261	2,321,261	2,321,261
3.050 - Capital Outlay	339,568	413,174	863,734	1,162,090	1,162,090	1,162,090	1,162,090	1,162,090
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	356,284	374,604	343,554	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	358,164	373,468	389,497	368,745	340,897
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	196,754	180,209	163,273	146,828	129,669	111,928	92,976	76,161
4.300 - Other Objects	1,066,411	1,316,532	1,187,026	1,315,766	1,330,277	1,340,983	1,350,445	1,365,226
4.500 - Total Expenditures	66,397,727	65,755,395	66,403,469	71,270,764	72,622,367	74,084,592	75,769,890	77,452,571
Other Financing Uses								
5.010 - Operating Transfers-Out	313,617	1,117,624	1,159,500	1,176,255	1,031,147	939,434	938,697	937,934
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	313,617	1,117,624	1,159,500	1,176,255	1,031,147	939,434	938,697	937,934
5.050 - Total Expenditures and Other Financing Uses	66,711,344	66,873,019	67,562,969	72,447,019	73,653,514	75,024,026	76,708,587	78,390,505
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	5,139,713	6,009,539	5,861,729	(1,837,905)	(3,997,982)	(5,724,848)	(7,476,506)	(9,649,826)
Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies	7,217,478	12,357,191	18,366,730	24,228,459	22,390,554	18,392,572	12,667,724	5,191,218
7.020 - Cash Balance June 30	12,357,191	18,366,730	24,228,459	22,390,554	18,392,572	12,667,724	5,191,218	(4,458,607)
8.010 - Estimated Encumbrances June 30	1,092,092	988,614	1,187,263	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
10.010 - of Appropriations	11,265,099	17,378,116	23,041,196	21,290,554	17,292,572	11,567,724	4,091,218	(5,558,607)
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification								
12.010 - of Contracts, Salary and Other Obligations	11,265,099	17,378,116	23,041,196	21,290,554	17,292,572	11,567,724	4,091,218	(5,558,607)
Revenue from New Levies								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	11,265,099	17,378,116	23,041,196	21,290,554	17,292,572	11,567,724	4,091,218	(5,558,607)
ADM Forecasts								
20.010 - Kindergarten	-	-	-	293	290	283	292	293
20.015 - Grades 1-12	-	-	-	5,090	4,984	4,909	4,835	4,795



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STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES



FIVE YEAR FINANCIAL FORECAST

AND

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

OCTOBER 2017 UPDATE

STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 1 NATURE AND PURPOSE OF PRESENTATION

This financial projection presents, in accordance with mandates of Ohio Law, the expected revenues, expenditures, and fund balance of the General Fund of the Strongsville City School District (the "District") for each of the fiscal years ending June 30, 2018 through June 30, 2022, with historical data presented for the fiscal years ended June 30, 2015, 2016, and 2017.

This forecast includes the impact on the State bi-annual budget for that was approved for fiscal years 2018 and 2019.

The assumptions disclosed herein are those that the District believes are significant to the projection. However, because circumstances and conditions assumed in projections frequently do not occur as expected, and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results.

A Basis of Accounting

This financial projection has been prepared on the cash receipts and disbursements basis, which is the required basis of accounting used for budgetary purposes. Under this system, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred. Under Ohio Law, the District is also required to encumber legally binding expenditure commitments and to make appropriations for the expenditure and commitment of funds.

B Fund Accounting

The District maintains its accounts in accordance with the principals of "fund accounting". Fund accounting is used by governmental entities, such as school districts, to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions and activities. The transactions of each fund are reflected in a self-balancing group of accounts, which presents an accounting entity that stands separate from the activities reported in other funds.

The forecast includes revenue and expenditure estimates for the general operating fund of the District (Fund 001).

NOTE 2 REVENUE ASSUMPTIONS

The District's primary sources of revenue are from the levying of property taxes on real property located within the District boundaries and the State of Ohio through the State Foundation program. The following provides information with respect to the revenue categories.

STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

A PROPERTY TAXES
LINE 1.010, 1.020 AND 1.050

Property taxes, which are levied and assessed on a calendar year basis, include amounts levied against all real and public utility property in the school district.

The real property tax base is the taxable (assessed) value of land and buildings. The taxable value is 35% of true (market) value. Under state law, real property is reappraised every six years and property values are updated in the third year following each sexennial reappraisal.

In 1976, the Ohio General Assembly passed HB 920. This law provides real property owners tax credits equal to any increase caused by an increase in value of all real property as a result of reappraisal. This does not apply to inside non-voted millage. In effect, HB 920 removes inflationary revenue growth from the applicable real property by requiring an adjustment to the voted millage rate, thereby resulting in a lower effective millage rate.

HB 66 made provision to replace revenue lost due to the phase out of the Tangible Personal Property Tax. In FY 15, the District received \$3.6 million in Tangible Personal Property Tax hold harmless. In the most recent bi-annual budget, the Tangible Personal Property Tax will be phased out by \$1.4 million in FY 16, and additional phase out of \$1.4 million in FY 17 for a combine loss through FY 17 of \$2.8 million. In FY 18 the remaining \$800k will be phased out for a total reduction of funding of \$3.6 million each year in the years FY 18-20. The District will be held harmless for the FY 16 \$1.4 million reduction through a supplement through the State Foundation. During FY 17, the District was held harmless for \$2.2 million of the \$2.8 million reduction through a supplement through the State Foundation. The net FY 17 reduction in Tangible Personal Property tax is \$600k, while the remaining \$3.0 million will be completely reduce in FY 18-22.

Property taxes are currently estimated by the Cuyahoga County Auditor's Office based on a current collection rate of 97.50%. A 1% change in collection rate represents \$575k.

The property Tax Allocation includes the following components: Property Tax Rollbacks and the tangible personal property tax hold harmless funds from the State of Ohio.

The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. The last re-appraisal was in 2012 and the triennial update was completed in 2015. All property values were updated for the 2017 collection year, which resulted in a 1.4% increase in values. The forecast assumes a property valuation of \$1.46 billion in 2018 – 2022.

State law grants tax relief to property owners (property tax rollbacks) in the form of a 10% reduction in real property tax bills. In addition, a 2.5% rollback is granted for owner occupied homesteads (total of 12.5%). The State reimburses school districts for the loss of real property taxes as a result of the rollback provision.

The prior budget bill (HB 119) included a significant property tax reduction for senior citizens. This Homestead Exemption will allow senior citizen homeowners and permanently/totally disabled homeowners, regardless of income, to withhold \$25,000 of market value of their owner occupied home from property taxes.

The District does have one operating renewal levy within the School District's levies issued. The renewal levy is a 5 year 6.0 mill levy that is currently set to expire at the end of tax year 2017. The Board of Education authorized the School District to place the renewal levy on

**STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES**

the November 8, 2016 ballot for renewal considerations, which is the earliest time the School District can be on the ballot. The renewal passed by 61.3% of the votes for the renewal levy.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
General Property Tax (Real Estate)	\$ 49,656,425	\$ 49,957,140	\$ 50,058,141	\$ 50,019,288	\$ 49,950,300
Property Tax Allocation:					
Property Tax Rollbacks	6,091,588	6,125,559	6,149,728	6,149,728	6,159,137
Tangible Personal Property	-	-	-	-	-
Total Tax Allocation	6,091,588	6,125,559	6,149,728	6,149,728	6,159,137
Total Tax Related Revenue	<u>\$ 55,748,013</u>	<u>\$ 56,082,699</u>	<u>\$ 56,207,869</u>	<u>\$ 56,169,016</u>	<u>\$ 56,109,437</u>

**B UNRESTRICTED/RESTRICTED STATE GRANTS-IN AID
LINE 1.035, 1.040**

This component of the financial forecast includes the State Foundation Program.

HB 59 has replaced the prior funding formulas, the bridge formula and the Ohio Evidence Based Funding Model. Under the current version of HB 59, calculations include funding for both the District and Charter School students. HB 59 mandates that all school districts pay tuition for all students who reside in the District and attend a charter school. The District's charter school tuition payment is reflected in line 3.030 (Purchased Services) of the forecast.

In the spring of 2015, the State of Ohio approved their 2016-2017 biennial budget which became law on July 1, 2015. Under the new biennial budget, the State reimbursement for Tangible Personal Property Tax (TPP) which is included in the property tax allocations will be phased out beginning in fiscal year 2017. The District will experience a decrease in TPP funding of \$548,025 in fiscal year 2017, and a decrease of \$3,111,418 in fiscal year 2018 and beyond, for a total annual loss of TPP funding in the amount \$3,659,443.

In the spring of 2017, the State of Ohio approved their 2018-2019 biennial budget which became law on July 1, 2017. Under the new biennial budget, the State elimination of TPP reimbursement was upheld, although a strong push was made through advocacy. Included in the biennial budget that impacted the District was the phase out of the "guarantee" within the State Foundation Funding Formula. District's can be on the funding formula in three different scenarios:

- **Formula district** - a district would receive the amount generated by the formula
- **Capped district** - amount generated by the formula, less a certain percentage of growth from the previous year.
- **Guarantee district** - amount generated by the formula, plus an amount to at least receive the same level of funding from the previous biennial budget.

Strongsville is a guarantee district. The approved budget the will reduce the guarantee amount based on ADM decline between school years 2014 through 2016. The guarantee percentage would drop (on a sliding scale) by 1% for each percent above 5% of enrollment, but the guarantee would be no less than 95% than the 2017 amount. Strongsville's ADM declined between 2014-2016 is 6.2%, meaning the guarantee amount will be reduced by 1.2%. The financial impact of this phase out to the District is \$112,411. Due to the unknown predictability of future state budgets, the forecast assumes a 5% reduction in the guarantee amount for fiscal years FY 2020 and FY 2021 compared to FY 2019, and another 5% reduction in the grantee amount for FY 2022 compared to FY 2021.

**STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES**

During FY 16, the District was held harmless for the \$1.4 million tangible personal property tax phase out which will be a supplement through the State Foundation Program.

During FY 17, the District was held harmless for the \$2.2 million tangible personal property tax phase out which will be a supplement through the State Foundation Program. 80% of this amount was paid during FY 17 and the remaining 20% will be paid during FY 18.

The following are the estimated unrestricted/restricted state grants-in aid assumed in this five year forecast.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Unrestricted State Funding	\$9,552,495	\$9,493,509	\$9,041,706	\$9,042,334	\$8,612,810
Casino Receipts	266,459	261,039	257,022	253,778	251,836
TPP Supplement	459,496	-	-	-	-
Restricted State Funding	72,256	71,286	70,583	69,954	69,597
Total State Foundation	\$10,350,706	\$9,825,834	\$9,369,311	\$9,366,066	\$8,934,243

C ALL OTHER REVENUE
Line 1.060

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Payments in Lieu of Taxes (PILOT) and Tax Increment Financing Payments (TIF)	\$2,474,423	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
Tuition - Prek, Full Day Kindergarten, Summer School	436,000	436,000	436,000	436,000	436,000
Tuition - Court Placed	485,973	310,000	310,000	310,000	310,000
Dues and Fees	316,000	316,000	316,000	316,000	316,000
Catastrophic Aid	150,000	150,000	150,000	150,000	150,000
Interest Income	150,000	100,000	75,000	50,000	50,000
All Other	312,999	312,999	312,999	312,999	312,999
Total Other Revenue	\$4,325,395	\$3,724,999	\$3,699,999	\$3,674,999	\$3,674,999

- Payment in Lieu of Taxes (PILOT) and Tax Increment Financing Payments (TIF) is the largest source of other revenue. During FY 18, the amount received will see a slight increase due to a settlement agreement.
- Tuition is collected for the Preschool program, Full Day Kindergarten, and Summer School.
- Tuition is collected from other districts for students that are placed in the District by the court system in foster homes with Strongsville residents. During FY 18, the district will experience an increase due to a delay in the FY 17 payment which was received in FY 18.
- Dues and Fees are collected for pay to participate and other fees.
- Catastrophic Aid is a supplemental payment to districts for special education students. This reimbursement is available to the financially responsible district for any child whose educational and related expenses exceed certain limits.

**STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES**

NOTE 3 EXPENDITURE ASSUMPTIONS

**A PERSONAL SERVICES – SALARIES AND WAGES
LINE 3.010**

The District reached a three year agreement with the SEA union effective August 1, 2016 through July 31, 2019. The District reached a three year agreement with the OAPSE union effective July 1, 2014 through June 30, 2017. The District is currently in negotiations with OAPSE as the previous agreement has expired.

Staffing assumptions (General Fund):

FY 18 – 655
 FY 19 – 661
 FY 20 – 648
 FY 21 – 648
 FY 22 – 648

Since 2009, there are 199 less positions compared to FY 2018, a 22% decline which is keeping pace with declining enrollment. If enrollment decline continues, the School District projects to reduce 13 positions in FY 2019. Below are a summary of reduction included in the forecast:

FY 16 – 24 positions
 FY 17 – 19 positions
 FY 19 - 13 positions

If possible, the District will make the reductions with the retirement of current staff, prior to any reductions in force.

The forecast assumes the stated reduction of position along with any step and column increases.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Personal Services					
Salaries and Wages	\$40,877,179	\$41,469,857	\$42,175,078	\$42,881,186	\$43,534,378

**B FRINGE BENEFITS
Line 3.020**

This component of the financial forecast includes the following items:

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Employee Insurance Benefits	\$9,627,466	\$10,000,929	\$10,733,448	\$11,521,190	\$12,363,906
Medicare	595,226	603,905	614,167	624,438	633,942
Worker's Compensation	350,666	353,050	356,220	359,409	362,279
State Teacher/ State Employees Retirement Benefits	6,374,622	6,461,221	6,567,277	6,672,584	6,770,556
Other Benefits	175,903	378,978	178,470	181,549	183,393
	\$17,123,883	\$17,798,083	\$18,449,582	\$19,359,170	\$20,314,076

STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

- (1) Health care costs are based on estimated staffing levels. Health care rates increased by 5% in FY 17. For FY 18-22, health care rates are projected to increase 7% each year. Health care rates are based on projections provided by the DS Benefits Group.

During FY 14, the District switched to a fully insured health care plan. Since the switch, the District has saved \$2.8 million through fiscal year 2016 by being on a self-funded plan compared to a fully insured plan.

- (2) The projection assumes the State’s mandated retirement contribution rate of 14% will not change during the forecast period.
- (3) See staffing levels under personnel services.
- (4) Increase to Workers Compensation is due to the mandated change in payment program to have claims paid in the year they are incurred.
- (5) Medicare costs are projected to remain constant over the forecast period.
- (6) Other Benefits are projected to increase in FY 18, in the event of the reduction of employees cannot be made through attrition.

C PURCHASED SERVICES
Line 3.030

This component of the financial forecast includes the following items:

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Charter School Tuition	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000
College Credit Plus	277,011	352,638	352,638	352,638	352,638
Out of District Tuition	1,963,451	1,964,444	1,964,444	1,964,444	1,964,444
Utilities	1,549,600	1,611,584	1,676,047	1,743,089	1,812,813
Other Purchased Services	3,261,631	3,258,996	3,291,044	3,323,872	3,358,587
	<u>\$7,901,693</u>	<u>\$8,037,662</u>	<u>\$8,134,173</u>	<u>\$8,234,043</u>	<u>\$8,338,482</u>

- (1) Under HB 59, charter school students are counted (for State Foundation Funding Calculations) in the District of residence. Strongsville City School District charter school tuition payment is reflected in line 3.030 (purchased services) of the forecast.
- (2) Out of District Tuition costs are based on budgeted projections. The District is projecting a 27% increase in the number of students taking class from FY 17 to FY 18. FY 18 payments are based by the following semesters: Spring 2017, Summer, 2017, and Fall 2017. FY 19 payments are based on the following semesters, Spring 2018, Summer 2018, and Fall 2018.
- (3) Utility costs are based on current payments and historical increases. The district is projecting an annual increase of 4%.
- (4) Other purchased service accounts include allocations for contract student transportation, maintenance, telephone services, postage, printing, school bus lease payments, outside legal fees, and other related items.

**STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES**

**D SUPPLIES, MATERIALS AND TEXTBOOKS
LINE 3.040**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Supplies and Textbooks	\$2,385,161	\$2,321,261	\$2,321,261	\$2,321,261	\$2,321,261

Supply and Textbook allocations are projected consistent with current budget estimates. The textbook and instructional supplies and materials budget is \$1.1 million. The remaining budget is made of transportation fuel, bus parts, and custodial supplies.

**E CAPITAL OUTLAY
LINE 3.050**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Capital Outlay	\$1,162,090	\$1,162,090	\$1,162,090	\$1,162,090	\$1,162,090

For FY18-22, the District increased the technology capital equipment budget by \$500,000 annually for Chromebooks for the implementation of the 1:1 device to student ratio.

**F DEBT SERVICE
LINE 4.010 THROUGH LINE 4.060**

This component of the financial forecast includes the following items:

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
School Improvements & Bus Acquisitions, Series 2005	\$78,375	\$76,975	\$75,575	\$79,075	\$77,475
Energy Conservation Bonds, Series 2006	85,077	85,077	85,077	42,538	-
HB 264 Energy Conservation Bonds, Series 2008	341,540	341,085	340,773	340,108	339,583
Total Debt Service	\$504,992	\$503,137	\$501,425	\$461,721	\$417,058

The forecast includes only those outstanding debt issuances that are funded by the General Fund. Therefore, District general obligations that are paid by the District's Debt Service Fund, which are funded by a separate dedicated property tax, are excluded from this forecast. A brief description of the debt issuances related specifically to the General Fund is as follows:

1. School Improvements & Bus Acquisitions, Series 2005

In August 2005, The Board of Education adopted two resolutions authorizing the issuance of two series of bonds in the respective amounts of \$1,260,000 for the renovation of the Strongsville Early Learning Preschool and \$415,000 for the acquisition of school buses. The final amount for the Strongsville Early Learning Center is on December 1, 2035. The final payment for the acquisition of buses was December 1, 2015.

2. Energy Conservation Bonds, Series 2006

In April 2006, The Board of Education adopted a resolution authorizing the issuance and sale of bonds, in the aggregate principal amount of \$895,000, for the purpose of paying costs of installations, modifications and remodeling of school buildings to conserve energy. The final payment of the debt is on December 1, 2020.

3. Energy Conservation Bonds (House Bill 264)

In June 2008, The Board of Education adopted a resolution authorizing the issuance and sale of bonds, in the aggregate principal amount of \$3,645,000 for the purpose of paying costs of installations, modifications and remodeling of school buildings to conserve energy.

**STRONGSVILLE CITY SCHOOL DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES**

**G OTHER OBJECTS
LINE 4.300**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Other Miscellaneous Expenditures	\$1,315,766	\$1,330,277	\$1,340,983	\$1,350,445	\$1,365,226

The main component of this category is County Auditor and Treasurer fee's for the collection of tax receipts. Other components include bank charges, insurance, judgments, and other miscellaneous expenses.

**H TRANSFERS AND ADVANCES IN AND OUT
LINES 2.040, 2.050, 5.010, AND 5.020**

Transfers are need to cover deficits in the following funds:

006 Food Service Fund in the amount of \$153,420 annually.

035 Termination Benefits, to cover employee severance payments in the amount of \$964,000 for FY 18. Beginning in FY 18 this number will begin to decrease as policy changes have been made to the District early retirement incentives.

004 Excellence in Athletics Campaign – As part of the Excellence in Athletics Campaign, Southwest Hospital has agreed to reduce the athletic trainer fee's for the next 10 years and the difference be applied to the Excellence in Athletics Campaign. Beginning in FY 17, the amounts are \$24,500, FY 18 \$23,835, FY 19 \$23,147, FY 20 \$22,434, FY 21 \$21,697, and FY 22 \$20,934 The District will also be transferring \$35,000 annually from the General Fund to the Excellence in Athletics funds which is the result of annual savings from maintenance of a natural grass field to help offset replacement turf in the future.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Transfers and Advances	\$1,176,255	\$1,031,147	\$939,434	\$938,697	\$937,934

**I ENCUMBRANCES
LINE 8.010**

The District uses the encumbrance method as part of formal budgetary and management control. Under this method, purchase orders, contracts, and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation for future payment. Encumbrances outstanding at year-end represent planned expenditures which were budgeted in the fiscal year but which were not paid for as of year-end. The estimated encumbrances in FY18-22 are \$1,100,000.

**J PROPERTY TAX – RENEWAL OR REPLACEMENT
LINE 11.020**

The District does have one operating renewal levy within the School District's levies issued. The renewal levy is a 5 year 6.0 mill levy that is currently set to expire at the end of tax year 2017. The Board of Education authorized the School District to place the renewal levy on the November 8, 2016 ballot for renewal considerations, which is the earliest time the School District can be on the ballot. The renewal passed by 61.3% of the votes for the renewal levy. Collections of the renewal levy will expire at the end of tax year 2022.

At this time, reporting in line 11.020 is not applicable since the levy will not expire until FY 2023.