

Strongsville City Schools

Board Financial Report As Of:
October 31, 2018



District Goals

1. Student Achievement and Growth

2. Financial Prudence

3. Community Engagement

Financial Prudence Throughout the Years

Enacted cost efficiencies that did not negatively impact our students, programs, or services (2007-Present):

- Reduction of 199 positions, inclusive of administration, teachers, and support staff

- Elimination of six (6) buildings and repurposing one (1) building

- Switched to a self-insured health care plan saving an average of \$1.3 million annually

- Created an online education option for students saving approximately \$200,000 annually

- Implemented a new investment strategy that increased interest earnings by \$375,000 over the past two years

Financial Highlights – October 31, 2018

- ❑ Revenues totaled \$1,015,512 for the month.
 - ❑ Through October 31, 2018, the District has revenue in the amount of \$29,638,637, which is an decrease of \$2,276,839 compared to October 31, 2017 which revenue totaled \$31,915,476. The decrease is primarily due to the Cleveland Clinic tax refund.
 - ❑ The District is projected to receive \$39,429,316 in revenue from November-June for a total projected revenue of \$69,067,953. Which is \$165,364 above the forecast.
 - ❑ Through October 31, 2018, interest revenue totaled \$298,398, which is an increase of \$143,780 compared to October 31, 2017 which interested totaled \$154,618.

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Financial Highlights – October 31, 2018

- ❑ General Fund Expenditures totaled \$23,294,319 and have outstanding encumbrances of \$4,004,075. This total of \$27,298,394 reflects 35.66% of the District's total appropriation of \$76,561,458.
 - ❑ Spending benchmark: 4/12 months and 8/24 pay period elapsed; 33.33%. The 35.66% expended/encumbered is slightly above the benchmark. At this point in time last year, the expended/encumbered percent was 35.24%
 - ❑ Salaries averaged \$1.7M for October which is the similar to the 1.7M in September.
 - ❑ Monthly Benefit expenditures were \$1.3M for October which is less to the \$1.4M in September. The decrease was due to the SERS surcharge amount being paid in September.

- ❑ The cash balance as of October 31, 2018 is \$37,539,517. The unencumbered balance as of October 31, 2018 is \$33,535,442. Within the District's 2020 Plan, the District established a cash reserve benchmark of having 60 days of operating cash on hand, which at this point in time is \$12,516,549. Currently the District is above this benchmark.

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Strongsville City Schools

- General Fund Summary

Monthly Comparison of Revenues & Expenditures October 2016, 2017, & 2018

	October 2016	October 2017	October 2018	Monthly Change from Previous Year	Fiscal Year to Date 2017	Fiscal Year to Date 2018	Fiscal Year to Date 2019	YTD Change from Previous Fiscal Year
Revenue:								
Real Estate Taxes	0.00	0.00	0.00	0	23,105,930.30	22,976,592.16	20,833,214.64	(2,143,378)
Public Utility Personal Property Tax	2,988.39	0.00	0.00	0	2,988.39	0.00	0.00	0
State Aide - Unrestricted	1,102,276.43	805,217.03	793,981.62	(11,235)	3,642,072.46	3,422,128.10	3,349,867.27	(72,261)
State Aide - Restricted	5,090.44	5,665.55	6,384.18	719	20,583.40	23,770.09	24,364.17	594
Property Tax Allocation	3,025,896.93	3,031,798.98	0.00	(3,031,799)	3,025,896.93	3,040,892.05	3,052,224.58	11,333
All Other Revenues	<u>54,116.06</u>	<u>145,162.13</u>	<u>215,146.13</u>	<u>69,984</u>	<u>1,604,699.29</u>	<u>2,452,093.44</u>	<u>2,378,966.17</u>	<u>(73,127)</u>
Total Revenues	4,190,368.25	3,987,843.69	1,015,511.93	(2,972,332)	31,402,170.77	31,915,475.84	29,638,636.83	(2,276,839)
Expenditures:								
Salaries	3,239,140.76	3,352,994.60	3,420,334.56	67,340	12,709,841.15	13,011,282.17	13,275,123.11	263,841
Benefits	1,250,523.91	1,291,539.70	1,320,439.35	28,900	5,338,057.69	5,313,080.07	5,403,384.05	90,304
Purchased Services	730,896.01	673,565.96	895,779.09	222,213	2,106,464.28	2,383,820.64	2,829,597.98	445,777
Supplies and Materials	133,067.19	98,152.34	225,661.43	127,509	442,918.59	418,804.54	744,041.55	325,237
Capital Outlay	57,912.89	17,051.36	29,905.44	12,854	393,832.46	354,537.61	571,254.97	216,717
Other Objects	<u>35,014.24</u>	<u>52,041.68</u>	<u>36,367.50</u>	<u>(15,674)</u>	<u>595,231.00</u>	<u>638,504.58</u>	<u>470,917.32</u>	<u>(167,587)</u>
Total Expenditures	5,446,555.00	5,485,345.64	5,928,487.37	443,142	21,586,345.17	22,120,029.61	23,294,318.98	1,174,289
Excess of Revenue over (under)								
Expenditures	(1,256,186.75)	(1,497,501.95)	(4,912,975.44)		9,815,825.60	9,795,446.23	6,344,317.85	

Strongsville City Schools

- General Fund Revenues

Revenues

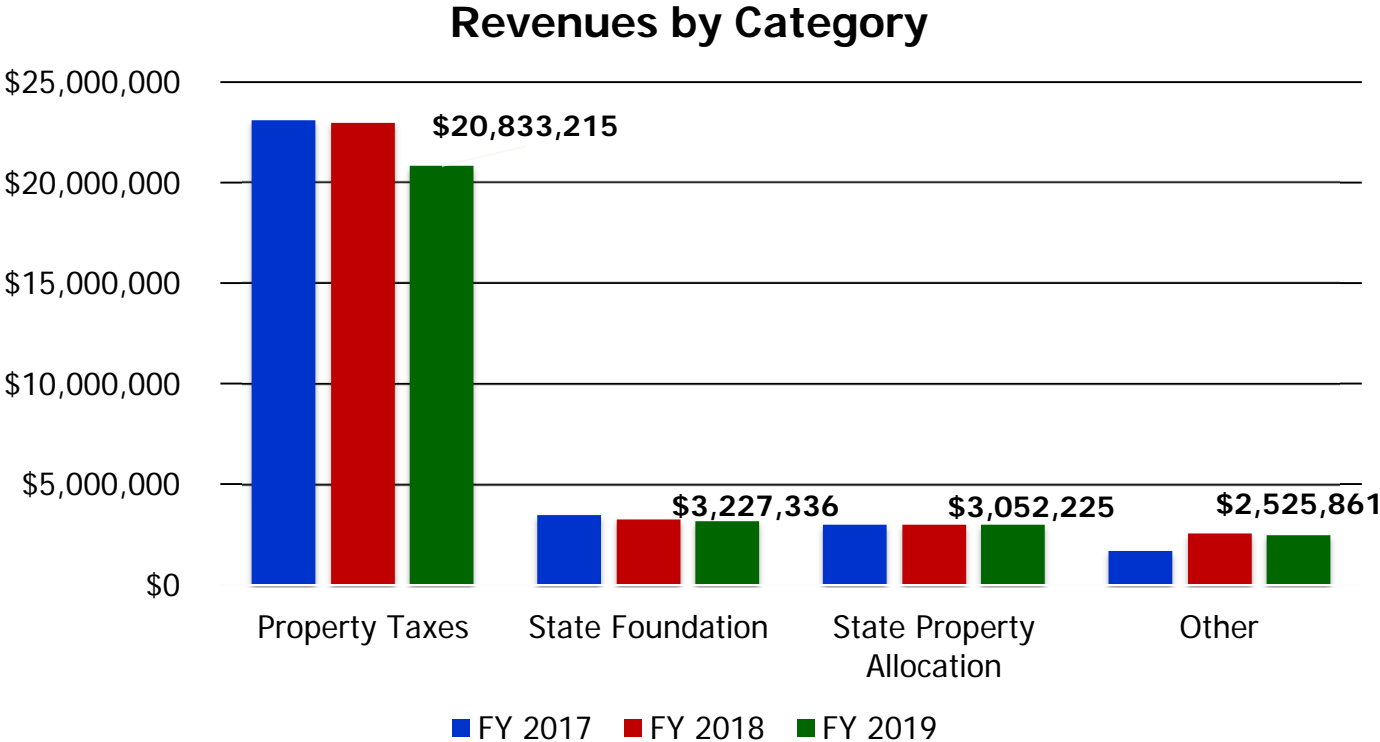
The Strongsville City Schools is forecasting **\$68,902,589** in revenue within the General Funds in the 2018-2019 fiscal year as shown on figure 1. As of **October 31, 2018** the District has received revenue in the amount of \$29,638,637 for FY 2019. The District is projecting to receive \$39,429,316 in revenue in the remaining months of the fiscal year for a total projected revenue of \$69,067,953. The October five year forecast was approved by the Board at the September 20, 2018 Board Meeting and can be viewed at www.strongnet.org, under the Treasurer's Department.

FORECASTED REVENUES AND ACTUAL REVENUES						
	A	B	C	D = (B+C)		D-A
	Fiscal Year	Fiscal Year	Projected	Projected		Over/
	2019	2019	Revenue	Total		(Under)
	Forecast	Actual	Nov - June	Revenue		
Revenues						
Real Property Tax	\$48,156,087	\$20,833,215	\$27,322,872	\$48,156,087	(a)	\$0
State Foundation	9,608,051	3,227,336	6,375,591	9,602,927	(b)	(5,124)
Property Tax Homestead and Rollbacks	6,155,194	3,052,225	3,102,969	6,155,194	(d)	0
Tangible Personal Property (TPP)	0	0	0	0	(d)	0
TIF Revenue	2,144,481	1,144,481	1,000,000	2,144,481	(e)	0
Casino Receipts	277,472	146,895	130,577	277,472	(d)	0
Interest	300,000	298,398	156,220	454,618	(c)	154,618
Other Revenues	1,174,304	418,632	772,971	1,191,603	(f)	17,299
Sports Pay to Participate	200,000	89,650	110,350	200,000	(d)	0
Tuition - From Other Districts	352,000	138,000	200,049	338,049	(d)	(13,951)
Tuition - Full Day Kindergarten	460,000	268,185	195,857	464,042	(d)	4,042
Tuition - Preschool	75,000	21,620	61,860	83,480	(d)	8,480
Total Revenues	\$68,902,589	\$29,638,637	\$39,429,316	\$69,067,953		\$165,364

- The District received \$51,973,254 in general real property taxes in FY18 and is forecasting \$48,156,087 in FY 19. The current collection rate for collection year 2017 decreased from 97.5% to 97.0%.
- The District will receive state funding in FY18 based on HB 49 and SB 8.
- Projected revenue is based on projected monthly cash balances against the current interest rate. Projected revenue is subject to change based on a change in cash balances and market conditions.
- These revenues have been received as anticipated.
- The District received \$2,736,464 in TIF revenues in FY 18 and is forecasting \$2,144,481 in FY 19.
- Other revenues include cell tower commission, vending commission, sale of property, services provided to other schools, state catastrophic aid, federal medicaid, athletic trainer fees, refunds of prior year expenditures, and other miscellaneous receipts.

Revenues by Category

Figure 2 compares revenue sources to the prior two years as of October 31. The three years of data will be beneficial for trend analysis performed throughout the year.



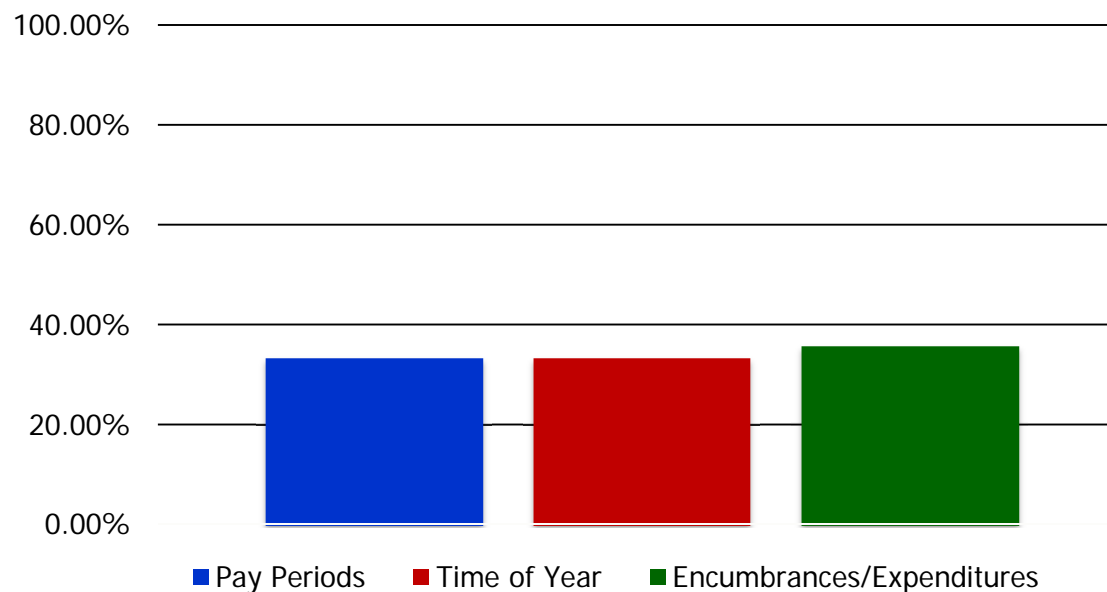
Strongsville City Schools

- General Fund Expenditures

Expenditures

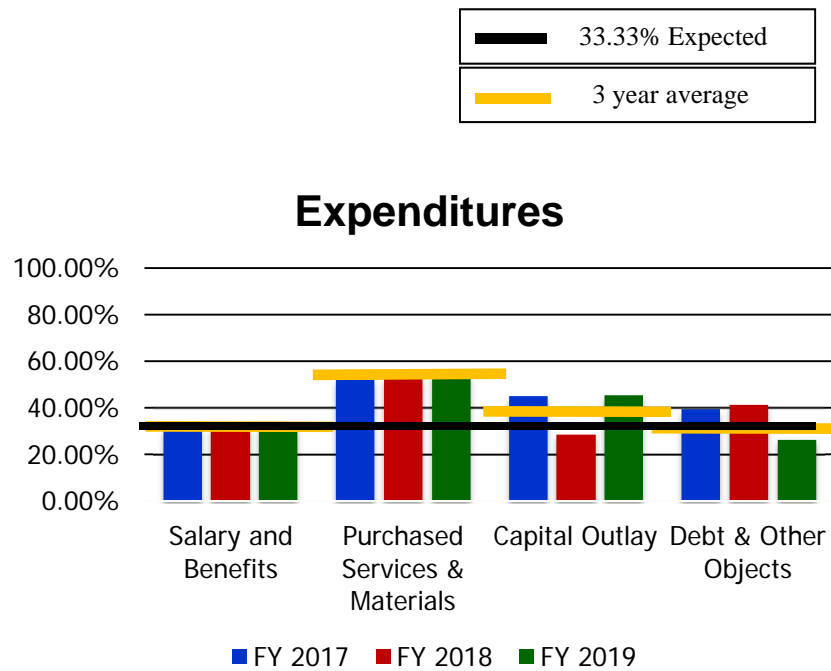
The fiscal year 2019 adopted General Fund budget for the District is **\$74,680,591**. This budget, coupled with carryover encumbrances of **\$1,880,867**, resulted in a **\$76,561,458** General Funds appropriation for FY 2019. The following information is a financial update of the status of this appropriation through October 31, 2018.

Through October 31, 2018 the District has expended \$23,294,319 and has outstanding encumbrances of \$4,004,075. This total of \$27,298,394 reflects 35.66% of the District's total appropriation. A statistical spending range for the District is based on two analyses: first, time elapsed is four months or 33.33% of the fiscal year has passed. Secondly, eight of twenty-four (8/24), or 33.33% of the total pay periods have passed. Figure 3 illustrates these points.

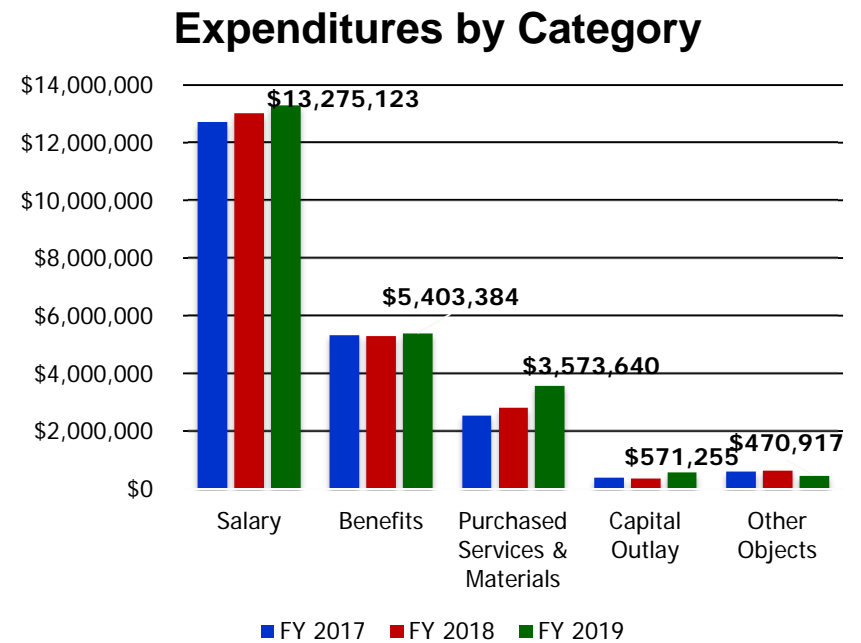


Expenditures Thru October 31

Percent Expended / Encumbered



Expenditures by Category



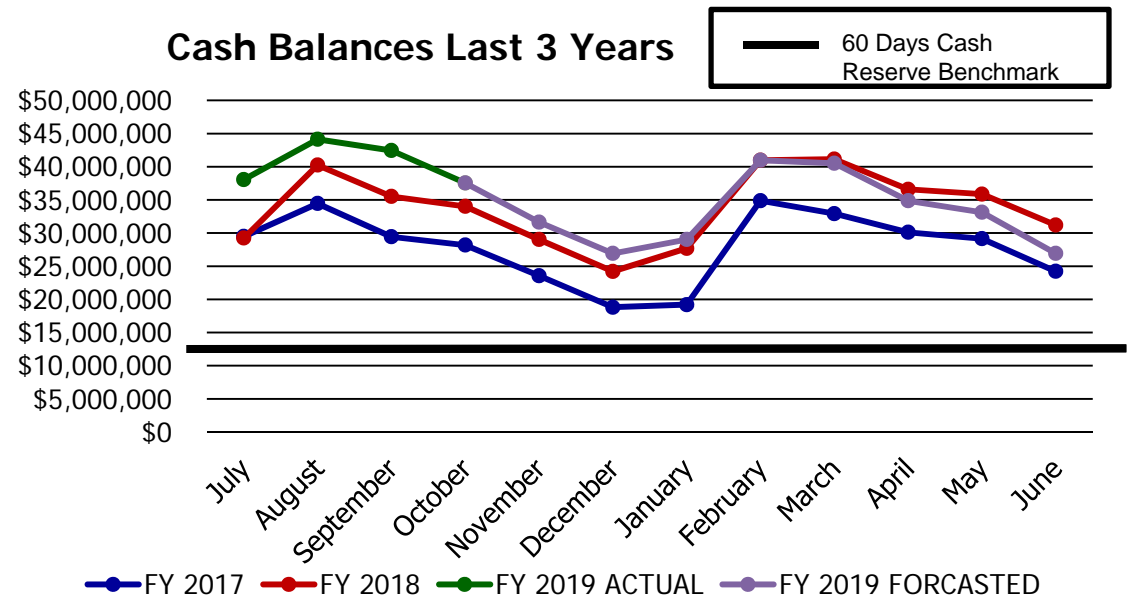
Strongsville City Schools

- General Fund Cash Balance

Cash Balance – General Fund

The cash balance as of October 31, 2018 is \$37,539,517. The unencumbered balance as of October 31, 2018 is \$33,535,442. Within the District's 2020 Plan, the District established a cash reserve benchmark of having 60 days of operating cash on hand, which at this point in time is \$12,516,550. Currently the District is above this benchmark.

	FY 2019
Beginning Cash Balance	<u>\$31,195,199</u>
Total Revenues	29,638,637
Total Expenses	23,294,319
Revenue over Expenses	<u>6,344,318</u>
Ending Cash Balance	37,539,517
Encumbrances/Reserves	4,004,075
Unencumbered Balance	<u>\$33,535,442</u>



Strongsville City Schools

- Questions?