

# Strongsville City Schools

Board Financial Report As Of:  
March 31, 2018



# District Goals

1. Student Achievement and Growth

2. Financial Prudence

3. Community Engagement

# Financial Prudence Throughout the Years

## District Cost Savings Efforts - Past, Present, and Future:

Through the Districts proactive diligence, we were able to generate the following savings and efficiencies while still providing an exemplary educational experience for our students:

- **Investment Strategy** increased General Fund interest earnings by \$106,157 (\$37,333 to \$143,490) in FY 17 compared to FY 16.
- Switched to a self-insured health care plan – has **saved \$4.6 million** since FY 14.
- **Financial Transparency** as recognized by:
  - ASBO Meritorious Budget Award
  - ASBO Certificate of Excellence in Financial Reporting (CAFR)
  - GFOA Certificate of Achievement for Excellence in Financial Reporting (CAFR)
  - During November of 2017 – Moody's increased the District's Bond Rating from a Aa3 to a Aa2. Additionally, during that time, the District closed on a Bond refunding deal, **with a net present value savings of \$723,887.**

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# Financial Prudence Throughout the Years

## District Cost Savings Efforts - District Cost Savings Efforts - Past, Present, and Future *(continued from previous slide)*:

Through the Districts proactive diligence, we were able to generate the following savings and efficiencies while still providing an exemplary educational experience for our students:

- Since 2010, the District eliminated six (6) buildings and repurposed one (1) building to save resources and **maximize educational offerings**.
  - Allen closed in 2010; Demolished in 2013.
  - Zellers closed in 2015; Repurposed in 2016
  - Drake, Albion, Center, OPS, and Board Office closed in June 2016; Demolished/Sold by 2017.

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# Financial Prudence Throughout the Years

## District Cost Savings Efforts - Past, Present, and Future (*continued from previous slide*):

- Since 2009, there are **199 less positions** compared to FY 2018, a 22% decline keeping pace with declining enrollment.
  - FY 2016 – Reduced 24 positions (all funds). **(\$1.4 million in savings)**
  - FY 2017 – Reducing 19 positions (all funds). **(\$500 thousand in savings)**

**Note: The discrepancy in savings in FY 2017 compared to the other years is due to the type of positions that were reduced. In FY 16, 18, & 19, the majority of the reductions were teaching positions, while in FY 17, the majority of reductions were in Aides.**

- Other Cost Efforts:
  - In FY 16, the District implemented Ohio Online Learning Program and now the Strongsville Academy to retain students in the District, which is projected to **save \$200K annually.**

# Financial Highlights – March 31, 2018

- Revenues totaled \$6,214,796 for the month.
- During March, the District received its final tax settlement for the 1<sup>st</sup> half 2018 collection year and final for FY 2017-2018. In total, tax collections totaled \$51,973,253 which is \$2,316,828 above the forecast. The increase is attributable to the following factors:
  - Increase due to new construction above forecast - \$159,759
  - Change in collection split above forecast - \$1,785,406 (\$1,069,392 residential).
    - Residential collection split has been consistent year over year. With the change in the Federal tax laws, there was an influx of residents paying their tax bill for 2018 100% by December 31. Since the District is on a July-June fiscal year and not a calendar year, this fiscal year's Jan-March collections have been inflated, while fiscal year's 2018-2019 July-September collections will be lower.
  - Prior year delinquency payments \$443,648 above forecast (\$1,311,365 total FY)
  - Refunds issued \$28,015 less than forecast (\$401,607 total FY)
  - May advance forecasted \$100,000 – May not have a May advance.  
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## Financial Highlights – March 31, 2018

- TIF revenues received totaled \$2,736,464 for FY 2017-2018 which is \$262,042 above the forecast.
- General Fund Interest income for March totaled \$25,605 and \$297,737 FYTD. FYTD Interest is revenue is \$238,913 higher compared to FYTD of March 31, 2017. Base on simulations of monthly cash balances and current interest rates, projected interest income is projected at \$376,230 for the year.
- Through March 31, revenues totaled \$67,633,014. The District is projecting to receive \$6,725,872 in revenue from April-June for a total projected revenue of \$74,358,886. Which is \$3,749,772 above the forecast.

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## Financial Highlights – March 31, 2018

- General Fund Expenditures totaled \$6,048,545 for the month, \$50,723,311 FTYD and have outstanding encumbrances of \$1,916,873. This total of \$52,640,184 reflects 71.49% of the District's total appropriation of \$73,634,282.
  - Spending benchmark: 9/12 months and 18/24 pay period elapsed; 75.00%. The 71.49% expended/encumbered is under the target benchmark. At this point in time last year, the expended/encumbered percent was 72.29%
  - Salaries averaged \$1.7M for March which is similar to the 1.7M in February.
  - Monthly Benefit expenditures were \$1.3M for March which is similar to the \$1.3M in February.
- The cash balance as of March 31, 2018 is \$41,138,162. The unencumbered balance as of March 31, 2018 is \$39,221,267. 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 \$11,446,527. Currently the District is above this benchmark.



# Strongsville City Schools

- General Fund Summary

# Monthly Comparison of Revenues & Expenditures

## March 2016, 2017, & 2018

	March 2016	March 2017	March 2018	Monthly Change from Previous Year	Fiscal Year to Date 2016	Fiscal Year to Date 2017	Fiscal Year to Date 2018	YTD Change from Previous Fiscal Year
<b>Revenue:</b>								
Real Estate Taxes	2,876,428.95	2,705,478.47	3,912,567.23	1,207,089	49,239,219.10	50,335,408.77	51,939,159.39	1,603,751
Public Utility Personal Property Tax	0.00	0.00	0.00	0	15,779.95	2,988.39	34,094.48	31,106
State Aide - Unrestricted	807,439.12	790,729.64	780,667.46	(10,062)	7,578,136.78	7,731,551.48	7,939,967.93	208,416
State Aide - Restricted	4,361.33	5,889.51	6,555.74	666	48,366.37	54,298.38	54,325.37	27
Property Tax Allocation	0.00	0.00	0.00	0	4,155,356.16	3,454,613.14	3,040,892.05	(413,721)
All Other Revenues	<u>1,347,647.14</u>	<u>1,220,324.37</u>	<u>1,515,005.74</u>	<u>294,681</u>	<u>3,162,030.05</u>	<u>3,250,038.19</u>	<u>4,624,575.06</u>	<u>1,374,537</u>
Total Revenues	5,035,876.54	4,722,421.99	6,214,796.17	1,492,374	64,198,888.41	64,828,898.35	67,633,014.28	2,804,116
<b>Expenditures:</b>								
Salaries	3,129,572.78	3,327,060.66	3,351,038.84	23,978	29,497,513.06	29,340,725.50	29,932,326.75	591,601
Benefits	1,270,406.19	1,288,659.00	1,322,834.72	34,176	12,138,950.17	11,960,654.08	12,163,742.02	203,088
Purchased Services	504,593.37	606,597.73	749,157.50	142,560	4,727,788.89	4,952,758.35	5,420,284.94	467,527
Supplies and Materials	121,053.66	144,129.39	117,033.94	(27,095)	899,114.98	995,209.44	852,887.04	(142,322)
Capital Outlay	11,208.02	18,135.55	46,662.49	28,527	319,457.78	603,753.76	482,259.25	(121,495)
Other Objects	<u>475,538.86</u>	<u>1,286,212.45</u>	<u>461,817.47</u>	<u>(824,395)</u>	<u>2,764,632.70</u>	<u>2,418,805.42</u>	<u>1,871,811.08</u>	<u>(546,994)</u>
Total Expenditures	5,512,372.88	6,670,794.78	6,048,544.96	(622,250)	50,347,457.58	50,271,906.55	50,723,311.08	451,405
Excess of Revenue over (under)								
Expenditures	(476,496.34)	(1,948,372.79)	166,251.21		13,851,430.83	14,556,991.80	16,909,703.20	

# Strongsville City Schools

- General Fund Revenues

# Revenues

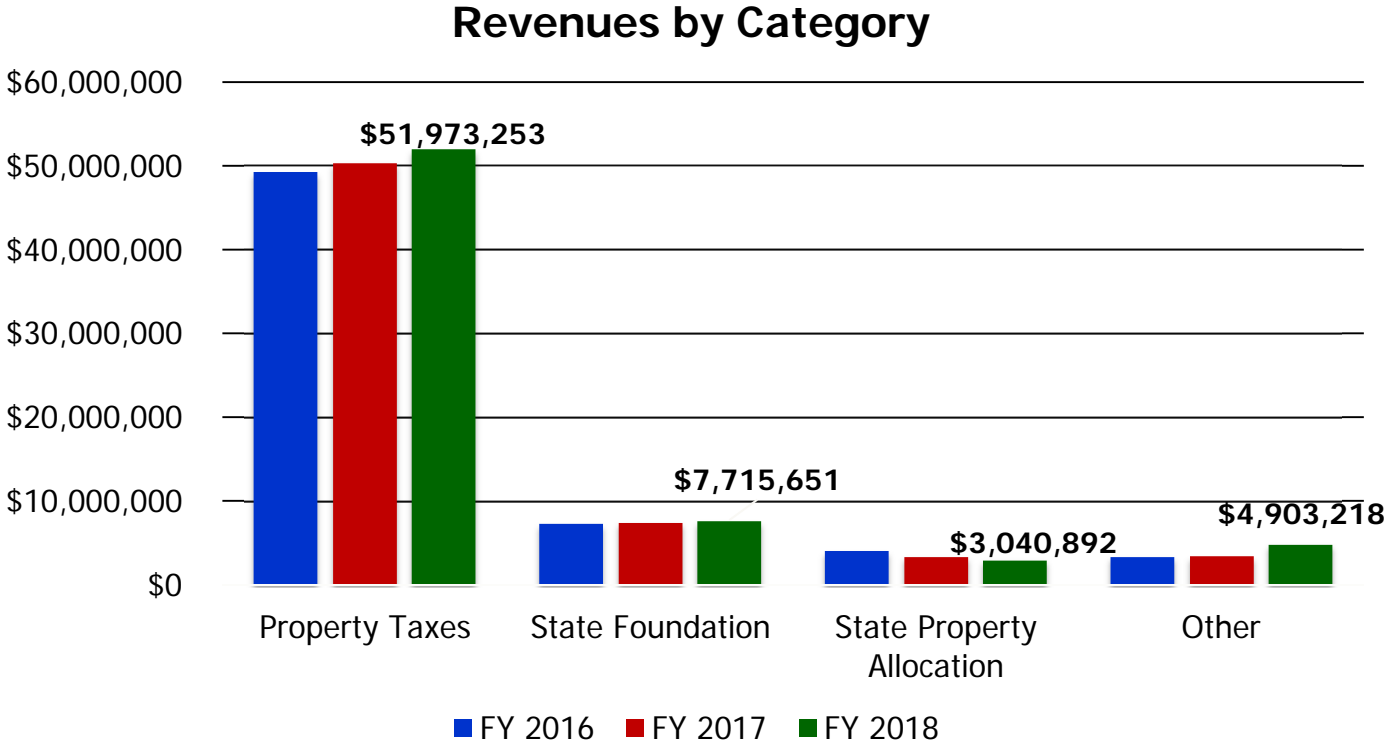
The Strongsville City Schools is forecasting **\$70,609,114** in revenue within the General Funds in the 2017-2018 fiscal year as shown on figure 1. As of **March 31, 2018** the District has received revenue in the amount of \$67,633,014 for FY 2018. The District is projecting to receive \$6,725,872 in revenue in the remaining months of the fiscal year for a total projected revenue of \$74,358,886. The October five year forecast was approved by the Board at the September 21, 2017 Board Meeting and can be viewed at [www.strongnet.org](http://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		
	2018	2018	Revenue	Total		Over/
	Forecast	Actual	April - June	Revenue		(Under)
<b>Revenues</b>						
Real Property Tax	\$49,656,425	\$51,973,253	\$0	\$51,973,253	(a)	<b>\$2,316,828</b>
State Foundation	10,084,247	7,715,651	3,130,456	10,846,107	(b)	<b>761,860</b>
Property Tax Homestead and Rollbacks	6,091,588	3,040,892	3,045,525	6,086,417	(d)	<b>(5,171)</b>
Tangible Personal Property (TPP)	0	0	0	0	(d)	<b>0</b>
TIF Revenue	2,474,422	2,736,464	0	2,736,464	(e)	<b>262,042</b>
Casino Receipts	266,459	278,643	0	278,643	(d)	<b>12,184</b>
Interest	150,000	297,737	78,493	376,230	(c)	<b>226,230</b>
Other Revenues	764,000	528,802	376,802	905,604	(f)	<b>141,604</b>
Sports Pay to Participate	200,000	200,100	2,000	202,100	(d)	<b>2,100</b>
Tuition - From Other Districts	485,973	552,661	0	552,661	(d)	<b>66,688</b>
Tuition - Full Day Kindergarten	367,500	257,286	80,000	337,286	(d)	<b>(30,214)</b>
Tuition - Preschool	68,500	51,525	12,596	64,121	(d)	<b>(4,379)</b>
<b>Total Revenues</b>	<b>\$70,609,114</b>	<b>\$67,633,014</b>	<b>\$6,725,872</b>	<b>\$74,358,886</b>		<b>\$3,749,772</b>

- The District received \$50,647,884 in general real property taxes in FY17 and has received \$51,973,253 in FY 18. 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 compared to \$2,107,444 in FY17.
- 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.<sup>12</sup>

# Revenues by Category

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



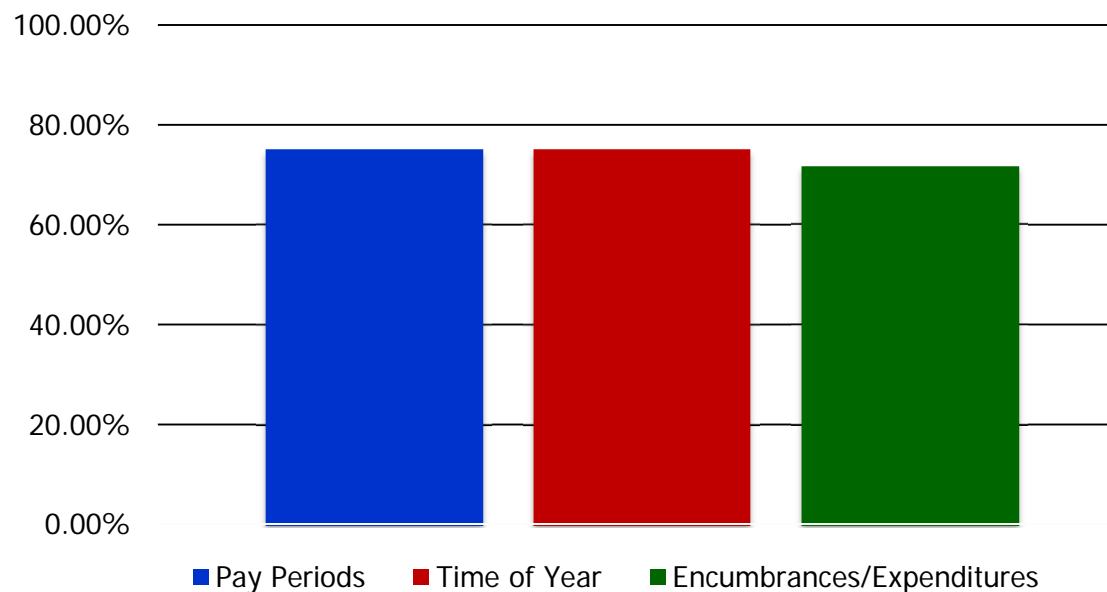
# Strongsville City Schools

- General Fund Expenditures

# Expenditures

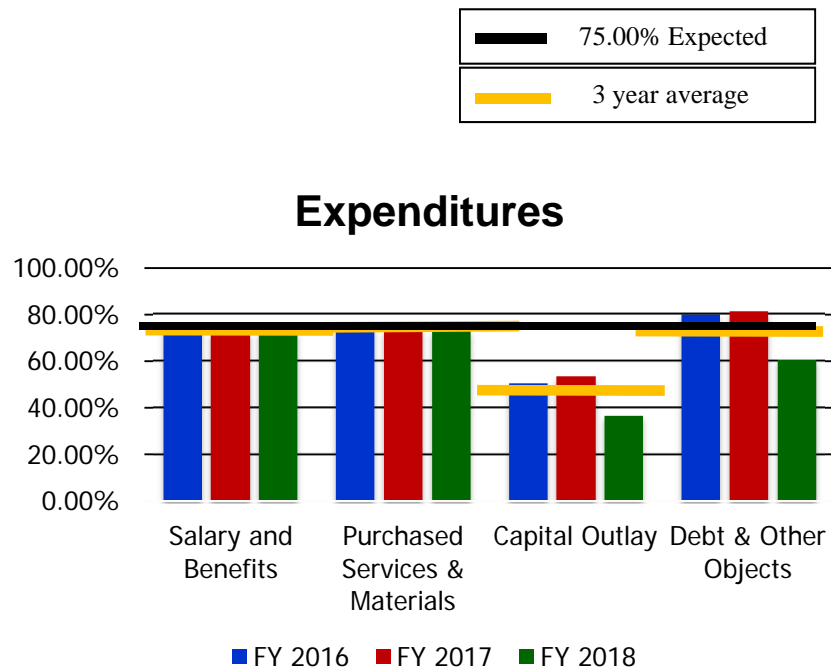
The fiscal year 2018 adopted General Fund budget for the District is **\$72,447,019**. This budget, coupled with carryover encumbrances of **\$1,187,263**, resulted in a **\$73,634,282** General Funds appropriation for FY 2018. The following information is a financial update of the status of this appropriation through March 31, 2018.

Through March 31, 2018 the District has expended \$50,723,311 and has outstanding encumbrances of \$1,917,895. This total of \$52,641,206 reflects 71.49% of the District's total appropriation. A statistical spending range for the District is based on two analyses: first, time elapsed is nine months or 75.00% of the fiscal year has passed. Secondly, eighteen of twenty-four (18/24), or 75.00% of the total pay periods have passed. Figure 3 illustrates these points.

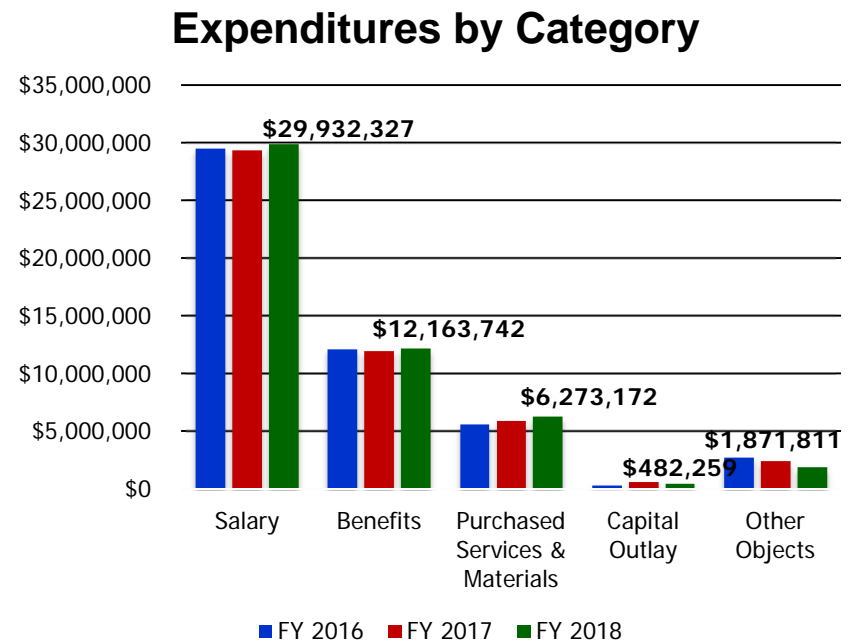


# Expenditures Thru March 31

## Percent Expended / Encumbered



## Expenditures by Category





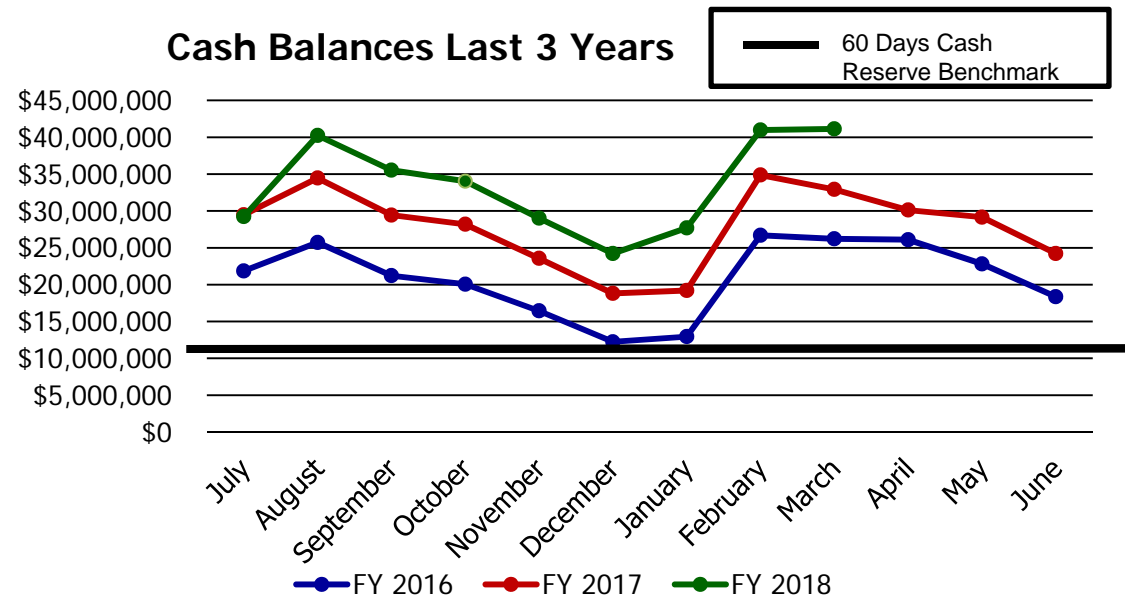
# Strongsville City Schools

- General Fund Cash Balance

# Cash Balance – General Fund

The cash balance as of March 31, 2018 is \$41,138,162. The unencumbered balance as of March 31, 2018 is \$39,221,289. 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 \$11,446,527. Currently the District is above this benchmark.

	<b>FY 2018</b>
Beginning Cash Balance	<b><u>\$24,228,459</u></b>
Total Revenues	67,633,014
Total Expenses	50,723,311
Revenue over Expenses	<u>16,909,703</u>
Ending Cash Balance	41,138,162
Encumbrances/Reserves	1,916,895
Unencumbered Balance	<b><u>\$39,221,267</u></b>



# Strongsville City Schools

- Questions?