

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

	ACTUAL			FORECASTED				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	46,857,239	44,969,504	47,132,420	47,710,195	47,480,955	47,417,159	47,503,513	47,463,357
1.020 - Public Utility Personal Property	2,325,044	2,487,339	2,629,579	2,728,201	2,783,740	2,811,577	2,825,557	2,825,557
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,920,308	9,932,508	11,052,774	11,931,102	9,865,295	9,401,298	8,938,508	8,935,377
1.040 - Restricted Grants-in-Aid	42,076	69,999	60,887	71,695	66,051	65,027	64,046	63,288
1.045 - Restricted Federal Grants-in-Aid - SFSP	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	9,735,080	9,766,953	8,305,124	6,936,384	6,121,365	6,160,929	6,185,238	6,185,238
1.060 - All Other Operating Revenues	2,842,879	4,318,754	3,604,535	3,711,014	3,547,358	3,522,358	3,517,358	3,517,358
<b>1.070 - Total Revenue</b>	<b>71,722,626</b>	<b>71,545,057</b>	<b>72,785,319</b>	<b>73,088,591</b>	<b>69,864,764</b>	<b>69,378,348</b>	<b>69,034,219</b>	<b>68,990,175</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	52,583	47,582	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	145,519	258,418	97,239	30,176	22,000	22,000	22,000	22,000
2.070 - Total Other Financing Sources	198,102	306,000	97,239	30,176	22,000	22,000	22,000	22,000
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>71,920,728</b>	<b>71,851,057</b>	<b>72,882,558</b>	<b>73,118,767</b>	<b>69,886,764</b>	<b>69,400,348</b>	<b>69,056,219</b>	<b>69,012,175</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	38,353,933	39,530,009	38,962,973	39,396,873	41,212,955	41,766,987	42,445,092	43,116,320
3.020 - Employees' Retirement/Insurance Benefits	16,863,021	16,707,172	16,229,383	16,028,039	17,171,727	18,141,896	19,103,666	20,414,921
3.030 - Purchased Services	5,653,625	6,174,920	6,562,467	8,130,289	8,371,258	8,577,358	8,788,225	9,003,086
3.040 - Supplies and Materials	1,785,647	2,026,609	1,716,053	2,251,457	2,465,544	2,401,644	2,401,644	2,401,644
3.050 - Capital Outlay	409,094	339,568	413,174	971,720	1,044,503	1,044,503	1,044,503	1,044,503
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
4.010 - Principal-All Years	516,901	356,284	374,604	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	343,554	358,164	373,468	389,497	368,745
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	216,477	196,754	180,209	163,274	146,828	129,669	111,928	92,176
4.300 - Other Objects	1,305,212	1,066,411	1,316,532	1,400,759	1,313,187	1,324,755	1,341,027	1,357,061
<b>4.500 - Total Expenditures</b>	<b>65,103,910</b>	<b>66,397,727</b>	<b>65,755,395</b>	<b>68,685,965</b>	<b>72,084,166</b>	<b>73,760,280</b>	<b>75,625,582</b>	<b>77,798,456</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	3,356,404	313,617	1,117,624	1,234,500	1,222,835	1,131,147	1,039,434	1,038,697
5.020 - Advances-Out	-	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	2,472	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	3,358,876	313,617	1,117,624	1,234,500	1,222,835	1,131,147	1,039,434	1,038,697
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>68,462,786</b>	<b>66,711,344</b>	<b>66,873,019</b>	<b>69,920,465</b>	<b>73,307,001</b>	<b>74,891,427</b>	<b>76,665,016</b>	<b>78,837,153</b>
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>3,457,942</b>	<b>5,139,713</b>	<b>6,009,539</b>	<b>3,198,302</b>	<b>(3,420,237)</b>	<b>(5,491,079)</b>	<b>(7,608,797)</b>	<b>(9,824,978)</b>
<b>Cash Balance July 1 - Excluding Proposed Renewal/ Replacement and New Levies</b>	<b>3,759,536</b>	<b>7,217,478</b>	<b>12,357,191</b>	<b>18,366,730</b>	<b>21,565,032</b>	<b>18,144,794</b>	<b>12,653,716</b>	<b>5,044,919</b>
<b>7.020 - Cash Balance June 30</b>	<b>7,217,478</b>	<b>12,357,191</b>	<b>18,366,730</b>	<b>21,565,032</b>	<b>18,144,794</b>	<b>12,653,716</b>	<b>5,044,919</b>	<b>(4,780,059)</b>
<b>8.010 - Estimated Encumbrances June 30</b>	<b>763,796</b>	<b>1,092,092</b>	<b>988,614</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>
<b>Reservations of Fund Balance:</b>								
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	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>10.010 - of Appropriations</b>	<b>6,453,682</b>	<b>11,265,099</b>	<b>17,378,116</b>	<b>20,465,032</b>	<b>17,044,794</b>	<b>11,553,716</b>	<b>3,944,919</b>	<b>(5,880,059)</b>
<b>Rev from Replacement/Renewal Levies</b>								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>6,453,682</b>	<b>11,265,099</b>	<b>17,378,116</b>	<b>20,465,032</b>	<b>17,044,794</b>	<b>11,553,716</b>	<b>3,944,919</b>	<b>(5,880,059)</b>
<b>Revenue from New Levies</b>								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>6,453,682</b>	<b>11,265,099</b>	<b>17,378,116</b>	<b>20,465,032</b>	<b>17,044,794</b>	<b>11,553,716</b>	<b>3,944,919</b>	<b>(5,880,059)</b>
<b>ADM Forecasts</b>								
20.010 - Kindergarten	-	-	-	304	323	327	317	328
20.015 - Grades 1-12	-	-	-	5,078	4,912	4,797	4,694	4,605



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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**

**MAY 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, 2017 through June 30, 2021, with historical data presented for the fiscal years ended June 30, 2014, 2015, and 2016.

This forecast includes the impact on the State bi-annual budget for that was approved for fiscal years 2016 and 2017.

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. For FY 17, the District will be 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 18-20.

The forecast assumes the property tax collection rate and spilt as follows:

Residential Collection Rate	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Forecasted	FY 17 Actual	FY 18 Forecast	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast
2nd Half CY Collection %		97.28%	98.27%	97.65%	98.18%	98.36%	98.36%	98.50%	98.00%	98.00%	98.00%
1st Half CY Collection %	97.28%	98.27%	97.65%	98.18%	98.36%	98.00%	98.50%	98.00%	98.00%	98.00%	98.00%

  

Residential Collection Split	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Forecasted	FY 17 Actual	FY 18 Forecast	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast
2nd Half CY Collection %		47.23%	47.33%	47.32%	47.12%	47.31%	47.31%	47.17%	47.25%	47.25%	47.25%
1st Half CY Collection %	52.77%	52.67%	52.68%	52.88%	52.69%	52.75%	52.83%	52.75%	52.75%	52.75%	52.75%

  

Commercial Collection Rate	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Forecasted	FY 17 Actual	FY 18 Forecast	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast
2nd Half CY Collection %		94.63%	92.97%	95.09%	89.38%	97.34%	97.34%	98.50%	95.71%	95.71%	95.71%
1st Half CY Collection %	94.63%	92.97%	95.09%	89.38%	97.34%	93.88%	98.50%	95.71%	95.71%	95.71%	95.71%

  

Commercial Collection Rate	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 Forecasted	FY 17 Actual	FY 18 Forecast	FY 19 Forecast	FY 20 Forecast	FY 21 Forecast
2nd Half CY Collection %		52.23%	51.94%	46.54%	51.19%	46.84%	46.84%	46.85%	46.85%	46.85%	46.85%
1st Half CY Collection %	46.77%	48.06%	53.46%	48.81%	53.16%	49.00%	53.15%	53.15%	53.15%	53.15%	53.15%

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

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 2016 collection year, which resulted in a 1.7% increase in values. The forecast assumes the following property valuations:

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Public Utility</b>	<b>Total</b>
CY 14 Actual	\$1,042,936,430	\$341,829,830	\$31,584,330	\$1,416,350,590
CY 15 Actual	\$1,049,626,620	\$334,780,730	\$33,230,900	\$1,417,638,250
CY 16 Actual	\$1,085,544,980	\$327,009,910	\$34,026,660	\$1,446,581,550
CY 17 Actual	\$1,099,063,440	\$331,059,270	\$36,099,090	\$1,466,221,800
CY 18 Forecast	\$1,104,555,202	\$325,780,001	\$36,460,081	\$1,466,795,284
CY 19 Forecast	\$1,132,151,306	\$313,831,299	\$36,824,682	\$1,482,807,287
CY 20 Forecast	\$1,132,151,306	\$313,831,299	\$36,824,682	\$1,482,807,287
CY 21 Forecast	\$1,132,151,306	\$307,307,680	\$36,824,682	\$1,476,283,668

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.

In November 2016 residents renewed a 5 year 6 mill levy with collection beginning January 2018. The forecast assumes the levy will expire tax year December 31, 2021. Collections will continue through December 31, 2022.

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
General Property Tax (Real Estate)	\$ 50,438,396	\$ 50,264,695	\$ 50,228,736	\$ 50,329,070	\$ 50,288,914
Property Tax Allocation:					
Property Tax Rollbacks	6,078,952	6,121,365	6,160,929	6,185,238	6,185,238
Tangible Personal Property	857,432	-	-	-	-
Total Tax Allocation	6,936,384	6,121,365	6,160,929	6,185,238	6,185,238
Total Tax Related Revenue	<u>\$ 57,374,780</u>	<u>\$ 56,386,060</u>	<u>\$ 56,389,665</u>	<u>\$ 56,514,308</u>	<u>\$ 56,474,152</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

**STRONGSVILLE CITY SCHOOL DISTRICT  
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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.

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

For FY 17, the District will be held harmless for the \$2.2 million tangible personal property tax phase out which will be a supplement through the State Foundation Program.

The following are the estimated unrestricted/restricted state grants-in aid assumed in this five year forecast. It assumes that the district is on the "state guarantee" for FY17 – FY21. It is also assumed that a portion of the "state guarantee" will be phased out based on the current Governors budget proposal. A reduction of 5% or \$462,344 in fiscal years 2018 and 2019, compared to fiscal year 2017, and another reduction of 5% or \$458,123 in fiscal years 2020 and 2021, from fiscal 2019. For fiscal year 2017, the District's guarantee amount is \$3.5 million.

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Unrestricted State Funding	\$11,663,672	\$9,604,144	\$9,145,672	\$8,688,531	\$8,689,288
Casino Receipts	269,586	261,151	255,626	249,977	246,089
Restricted State Funding	71,695	66,051	65,027	64,046	63,288
<b>Total State Foundation</b>	<b>\$12,004,953</b>	<b>\$9,931,346</b>	<b>\$9,466,325</b>	<b>\$9,002,554</b>	<b>\$8,998,665</b>

**C ALL OTHER REVENUE**  
Line 1.060

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Payments in Lieu of Taxes (PILOT) and Tax Increment Financing Payments (TIF)	\$2,107,444	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
Tuition - Prek, Full Day Kindergarten	376,257	350,000	350,000	350,000	350,000
Tuition - Court Placed	319,530	310,000	310,000	310,000	310,000
Dues and Fees	343,711	326,000	326,000	326,000	326,000
Catastrophic Aid	150,000	150,000	150,000	150,000	150,000
Interest Income	70,830	50,000	25,000	20,000	20,000
All Other	373,418	283,358	283,358	283,358	283,358
<b>Total Other Revenue</b>	<b>\$3,741,190</b>	<b>\$3,569,358</b>	<b>\$3,544,358</b>	<b>\$3,539,358</b>	<b>\$3,539,358</b>

- Payment in Lieu of Taxes (PILOT) and Tax Increment Financing Payments (TIF) is the largest source of other revenue.
- 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.
- 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.

Staffing assumptions (General Fund):

FY 17 – 655  
 FY 18 – 657  
 FY 19 – 644  
 FY 20 – 644  
 FY 21 – 644

Since 2009, there are 206 less positions compared to FY 2017, a 23% decline which is keeping pace with declining enrollment. If enrollment decline continues, the School District projects to reduce 13 positions in FY 2019. In fiscal year 2018, the School District will be increasing by two positions, a kindergarten teachers and a 1<sup>st</sup> grade teacher to due to recent increased enrollment in those grades. Below is a summary of staffing changes included in the forecast:

FY 16 – Less 20 positions  
 FY 17 – Less 17 positions  
 FY 18 – Add 2 positions  
 FY 19 - Less 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.

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Personal Services					
Salaries and Wages	\$39,396,873	\$41,212,955	\$41,766,987	\$42,445,092	\$43,116,320

**B FRINGE BENEFITS  
Line 3.020**

This component of the financial forecast includes the following items:

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Employee Insurance Benefits	\$8,785,627	\$9,656,804	\$10,330,997	\$11,380,644	\$12,579,772
Medicare	543,966	600,095	608,128	617,961	627,694
Worker's Compensation	393,053	469,814	472,112	475,126	478,105
State Teacher/ State Employees Retirement Benefits	6,234,105	6,415,014	6,499,158	6,599,935	6,699,350
Other Benefits	71,288	30,000	231,501	30,000	30,000
	<b>\$16,028,039</b>	<b>\$17,171,727</b>	<b>\$18,141,896</b>	<b>\$19,103,666</b>	<b>\$20,414,921</b>



**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 3% in FY 16 and 5% in FY 17. For FY 18-21, health care rates are projected to increase 10% each year. Health care rates are based on projections provided by the DS Benefits Group which are in line to industry standards..

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 increase claims in recent years. The increase from FY 17 to FY 18 is based on FY 17 reported claims and projections.
- (5) Medicare costs are projected to remain constant over the forecast period.

**C PURCHASED SERVICES**  
Line 3.030

This component of the financial forecast includes the following items:

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Charter School Tuition	\$749,938	\$850,000	\$850,000	\$850,000	\$850,000
College Credit Plus	303,372	299,367	299,367	299,367	299,367
Out of District Tuition	1,887,461	2,141,390	2,241,390	2,341,390	2,441,390
Utilities	1,702,117	1,830,400	1,903,616	1,979,760	2,058,951
Other Purchased Services	3,487,401	3,250,101	3,282,985	3,317,708	3,353,378
	<b>\$8,130,289</b>	<b>\$8,371,258</b>	<b>\$8,577,358</b>	<b>\$8,788,225</b>	<b>\$9,003,086</b>

- (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. For the College Credit Plus program, these payments are currently made a year in arrears. For the upcoming school year, The Ohio Department of Education is going to be making the payments for the current year, so there will be an additional payment in FY 17 to be caught up. Also there has been additional 25% increase in participation in the program from FY 15 to FY 16 and currently an additional 20% increase in students are registered for the upcoming school year, FY 17.
- (3) Utility costs are based on current payments and historical increases.
- (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**

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Supplies and Textbooks	\$2,251,457	\$2,465,544	\$2,401,644	\$2,401,644	\$2,401,644

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

**E CAPITAL OUTLAY  
LINE 3.050**

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Capital Outlay	\$971,720	\$1,044,503	\$1,044,503	\$1,044,503	\$1,044,503

For FY17-21, 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:

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
School Improvements & Bus Acquisitions, Series 2005	\$79,775	\$78,375	\$76,975	\$75,575	\$78,275
Energy Conservation Bonds, Series 2006	85,077	85,077	85,077	85,077	42,538
HB 264 Energy Conservation Bonds, Series 2008	341,975	341,541	341,085	340,772	340,108
<b>Total Debt Service</b>	<b>\$506,827</b>	<b>\$504,993</b>	<b>\$503,137</b>	<b>\$501,424</b>	<b>\$460,921</b>

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 is on 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.

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

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.

**G OTHER OBJECTS  
LINE 4.300**

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Other Miscellaneous Expenditures	\$1,400,759	\$1,222,835	\$1,131,147	\$1,341,027	\$1,357,061

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:

**009 Uniform School Supplies** in the amount of \$120,000 annually.

**035 Termination Benefits**, to cover employee severance payments in the amount of \$1,055,000 for FY 17. Beginning in FY 18 this number will begin to decrease as policy changes have been made to the District early retirement incentives.

**019 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, and FY 20 \$22,434. 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.

	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
Transfers and Advances	\$1,234,500	\$1,222,835	\$1,131,147	\$1,039,434	\$1,038,697

**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 FY17-21 are \$1,100,000.

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

In March 2012 residents renewed a 5 year 6 mill levy with collection beginning January 2013. The forecast assumes the levy will expire tax year December 31, 2016. Collections will continue through December 31, 2017. In November 2016, residents renewed this levy with collection beginning January 2018. The forecast assumes the levy will expire tax year December 31, 2021. Collections will continue through December 31, 2022.