

Strongsville City Schools

Board Financial Report As Of:
February 28, 2017



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:

- 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.
- 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.

(Continued to next slide)

Financial Prudence Throughout the Years

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

- Since 2009, there are **212 less positions** compared to FY 2017, a 23% decline keeping pace with declining enrollment. If enrollment decline continues, the School District projects to reduce 5 positions in FY 2018 and 9 positions in FY 2019.
 - FY 2016 – Reduced 24 positions (all funds). **(\$1.4 million in savings)**
 - FY 2017 – Reducing 26 positions (all funds). **(\$525 thousand in savings)**
 - FY 2018 – Reducing 5 positions (all funds). **(\$374 thousand in savings)**
 - FY 2019 – Reducing 9 positions (all funds). **(\$700 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. (See next slide)

- 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.**

Strongsville City Schools

- General Fund Summary

Monthly Comparison of Revenues & Expenditures February 2015, 2016, & 2017

	February 2015	February 2016	February 2017	Monthly Change from Previous Year	Fiscal Year to Date 2015	Fiscal Year to Date 2016	Fiscal Year to Date 2017	YTD Change from Previous Fiscal Year
Revenue:								
Real Estate Taxes	18,821,000.00	18,845,000.00	20,041,000.00	1,196,000	44,837,163.28	46,362,790.15	47,629,930.30	1,267,140
Public Utility Personal Property Tax	0.00	0.00	0.00	0	0.00	15,779.95	2,988.39	(12,792)
State Aide - Unrestricted	833,180.18	819,411.89	794,158.36	(25,254)	6,741,411.64	6,770,697.66	6,940,821.84	170,124
State Aide - Restricted	5,558.45	7,011.58	9,517.95	2,506	43,996.92	44,002.04	48,408.87	4,407
Property Tax Allocation	0.00	0.00	0.00	0	4,910,780.74	4,155,356.16	3,454,613.14	(700,743)
All Other Revenues	<u>55,425.43</u>	<u>30,145.54</u>	<u>117,840.94</u>	<u>87,695</u>	<u>2,078,988.21</u>	<u>1,814,385.91</u>	<u>2,029,713.82</u>	<u>215,328</u>
Total Revenues	19,715,164.06	19,701,569.01	20,962,517.25	1,260,948	58,612,340.79	59,163,011.87	60,106,476.36	943,464
Expenditures:								
Salaries	3,023,738.01	2,839,728.39	3,255,285.63	415,557	27,129,748.63	26,367,940.28	26,013,664.84	(354,275)
Benefits	1,381,223.07	1,266,999.79	1,289,801.84	22,802	11,037,728.82	10,868,543.98	10,671,995.08	(196,549)
Purchased Services	385,095.00	556,765.93	455,251.89	(101,514)	4,025,520.38	4,223,195.52	4,346,160.62	122,965
Supplies and Materials	77,713.11	88,548.63	115,730.26	27,182	1,210,719.93	778,060.32	851,080.05	73,020
Capital Outlay	8,128.96	3,129.86	70,121.16	66,991	103,082.08	308,249.76	585,618.21	277,368
Other Objects	<u>8,304.26</u>	<u>1,210,092.72</u>	<u>101,767.07</u>	<u>(1,108,326)</u>	<u>991,637.47</u>	<u>2,289,094.00</u>	<u>1,132,592.97</u>	<u>(1,156,501)</u>
Total Expenditures	4,884,202.41	5,965,265.32	5,287,957.85	(677,307)	44,498,437.31	44,835,083.86	43,601,111.77	(1,233,972)
Excess of Revenue over (under)								
Expenditures	14,830,961.65	13,736,303.69	15,674,559.40		14,113,903.48	14,327,928.01	16,505,364.59	

Strongsville City Schools

- General Fund Revenues

Revenues

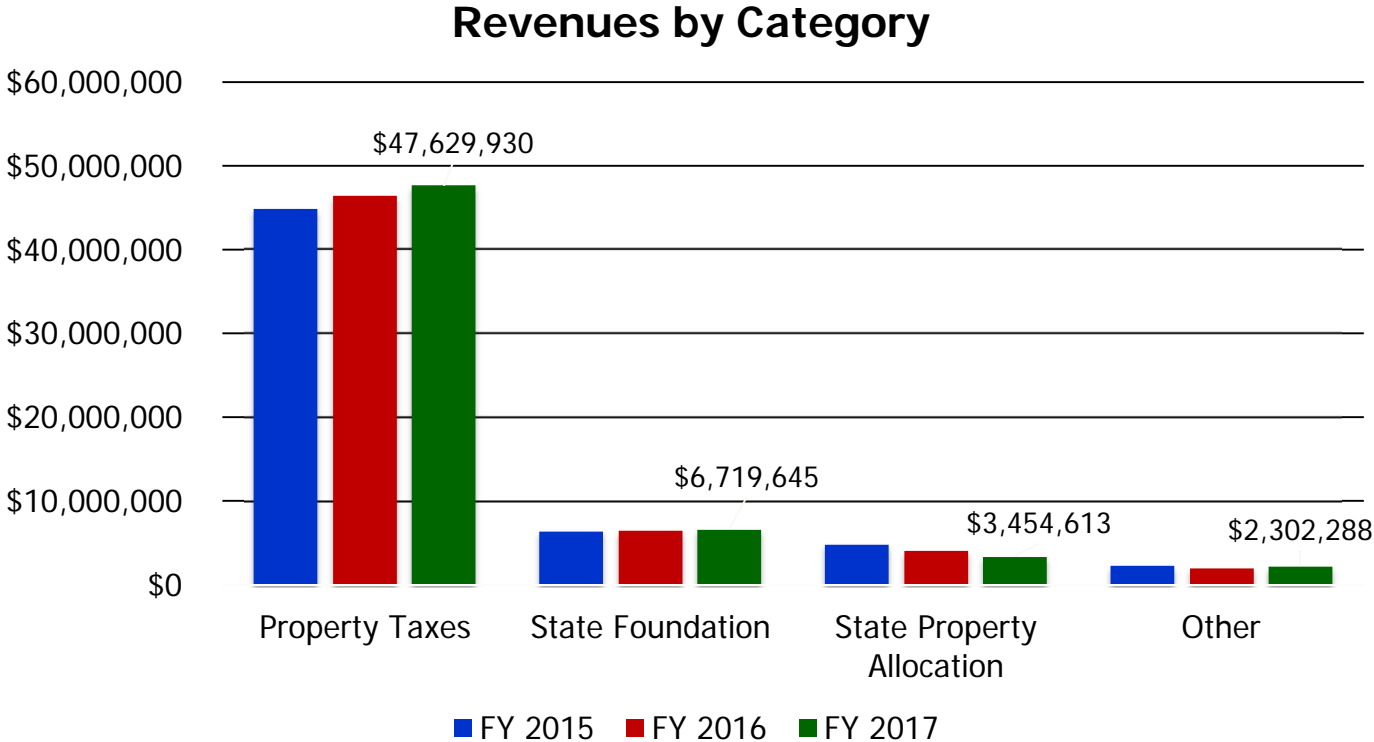
As of the October 2016 financial forecast, the Strongsville City Schools is forecasting **\$71,451,528** in revenue within the General Funds in the 2016-2017 fiscal year as shown on figure 1. As of **February 28, 2017** the District has received revenue in the amount of \$60,106,476. The District is projecting to receive \$11,853,567 in revenue from March-June for a total projected revenues of \$71,960,043, which would result in \$508,515 revenues above the initial forecast.

FORECASTED REVENUES AND ACTUAL REVENUES					
	A	B	C	D = (B+C)	
	Fiscal Year	Fiscal Year	Projected	Projected	
	2017	2017	Revenue	Total	Over/
	Forecast	Actual	March - June	Revenue	(Under)
Revenues					
Real Property Tax	\$48,943,766	\$47,629,930	\$1,741,934	\$49,371,864	(a) \$428,098
State Foundation	11,810,144	6,719,645	5,009,564	11,729,209	(b) (80,935)
Property Tax Homestead and Rollbacks	6,046,413	3,025,897	3,032,508	6,058,405	(c) 11,992
Tangible Personal Property (TPP)	861,825	428,716	428,716	857,432	(c) (4,393)
TIF Revenue	2,100,000	1,036,970	1,080,383	2,117,353	(d) 17,353
Casino Receipts	274,380	269,586	0	269,586	(c) (4,794)
Interest	20,000	45,767	16,488	62,255	(c) 42,255
Other Revenues	590,000	306,569	263,545	570,114	(e) (19,886)
Sports Pay to Participate	200,000	155,771	71,768	227,539	(c) 27,539
Tuition - From Other Districts	305,000	173,888	148,841	322,729	(c) 17,729
Tuition - Full Day Kindergarten	235,000	268,877	38,900	307,777	(c) 72,777
Tuition - Preschool	65,000	44,860	20,920	65,780	(c) 780
Total Revenues	\$71,451,528	\$60,106,476	\$11,853,567	\$71,960,043	\$508,515

- a) The District received \$49,761,999 in general real property taxes in FY16 and is anticipating to receive \$48,980,966 in FY 17. The current collection rate for collection year 2016 increased from 96.6% to 97.5%.
- b) The District will receive state funding in FY17 based on HB 64.
- c) These revenues have been received as anticipated.
- d) The District received \$2,113,540 in TIF revenues in FY16 and is forecasting \$2,100,000 in FY 17.
- e) 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 February. The three years of data will be beneficial for trend analysis performed throughout the year.



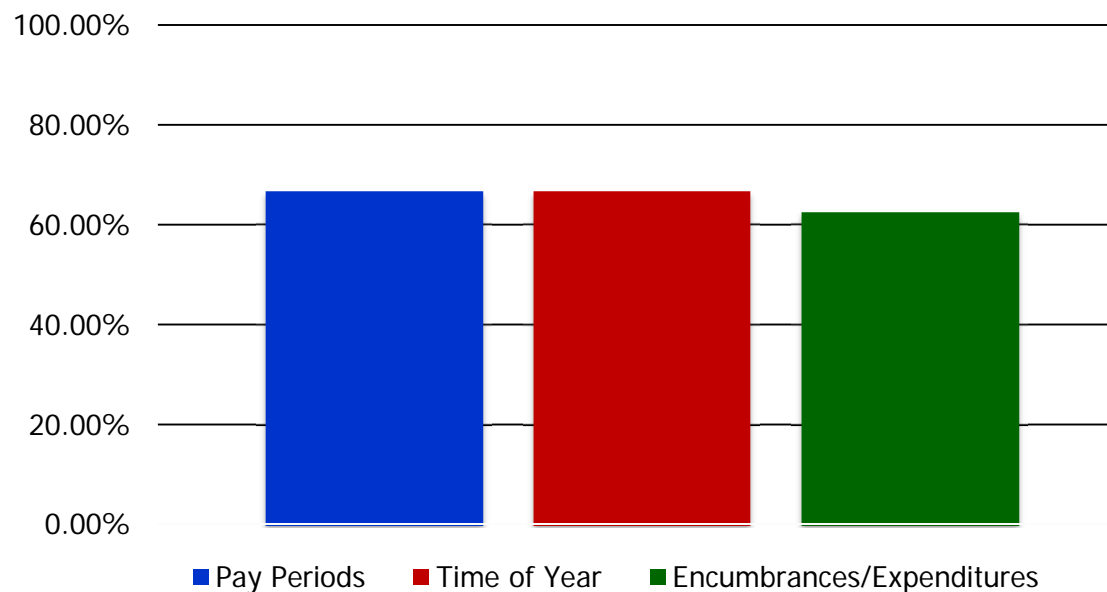
Strongsville City Schools

- General Fund Expenditures

Expenditures

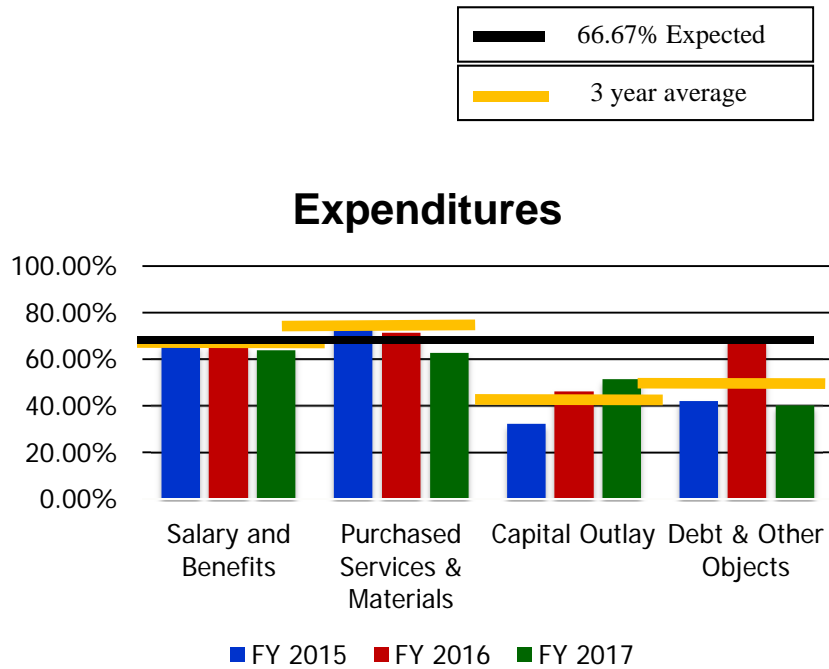
The fiscal year 2017 adopted General Fund budget for the District is \$72,154,895. This budget, coupled with carryover encumbrances of \$988,614, resulted in a \$73,143,509 General Funds appropriation for FY 2017. The following information is a financial update of the status of this appropriation through February 28, 2017.

Through February 28, 2017 the District has expended \$43,601,112 and has outstanding encumbrances of \$2,126,953. This total of \$45,728,065 reflects 62.52% of the District's total appropriation. A statistical spending range for the District is based on two analyses: first, time elapsed is eight months or 66.67% of the fiscal year has passed. Secondly, sixteen of twenty-four (16/24), or 66.67% of the total pay periods have passed.

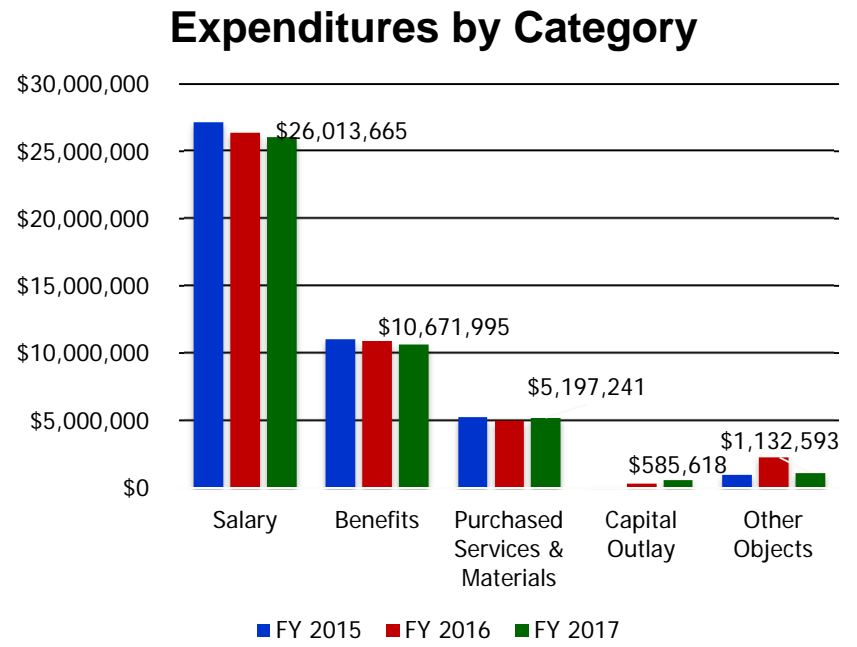


Expenditures Thru February

Percent Expended / Encumbered



Expenditures by Category



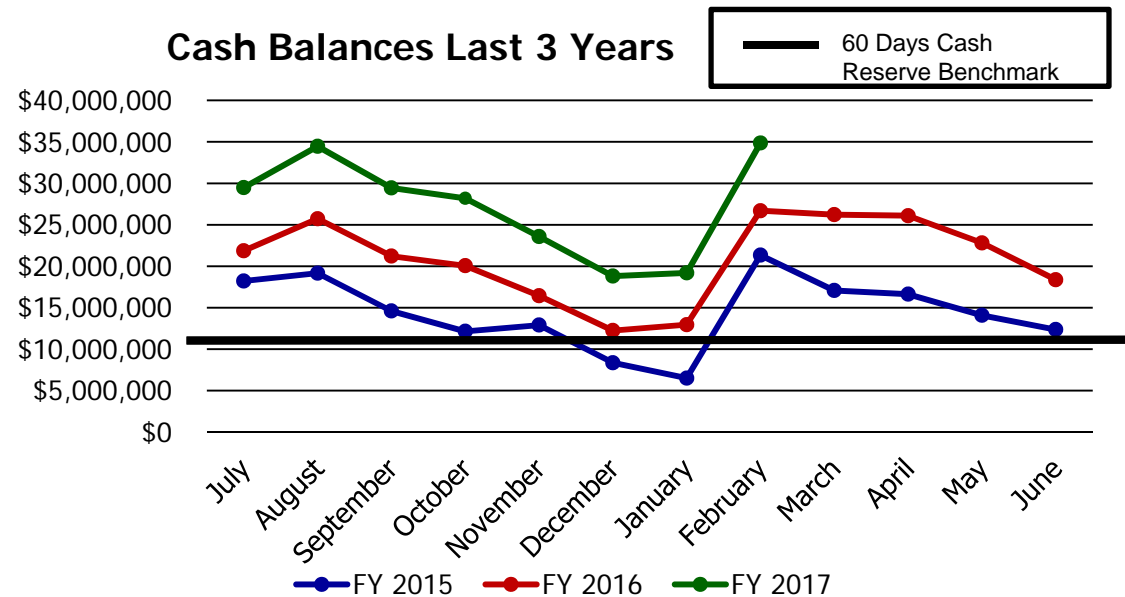
Strongsville City Schools

- General Fund Cash Balance

Cash Balance – General Fund

The cash balance as of February 28, 2017 is \$34,872,094. The unencumbered balance as of February 28, 2017 is \$32,745,141. 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 \$11,070,170. Currently the District is above this benchmark.

	FY 2017
Beginning Cash Balance	<u>\$18,366,730</u>
Total Revenues	60,106,476
Total Expenses	43,601,112
Revenue over Expenses	<u>16,505,364</u>
Ending Cash Balance	34,872,094
Encumbrances/Reserves	2,126,953
Unencumbered Balance	<u><u>\$32,745,141</u></u>



Strongsville City Schools

- Governor's State Budget Proposal Fiscal Years: 2017-2018, 2018-2019 and Historical State Funding.

Governor's State Budget Proposal

- Education budget increased by 1% or \$200M at the State level.
- Framework of current formula remains unchanged.
- Guarantee - drop up to 5% over the biennium depending on enrollment trend from 2011-2016:
 - If enrollment dropped by more than 5% from 2011 to 2016, 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% of 2017's funding levels. Example:
 - District A: Lost 8% in enrollment from 2011 to 2016, and would have a guarantee level of 97% of 2017 funding amount.
 - District B: Lost 20% of enrollment from 2011 to 2016, and would have a guarantee level of 95% of 2017 funding amount.
 - Strongsville CSD had a 20% enrollment decline between 2011 to 2016.
- TPP phase-out schedule remains the same as current legislation.

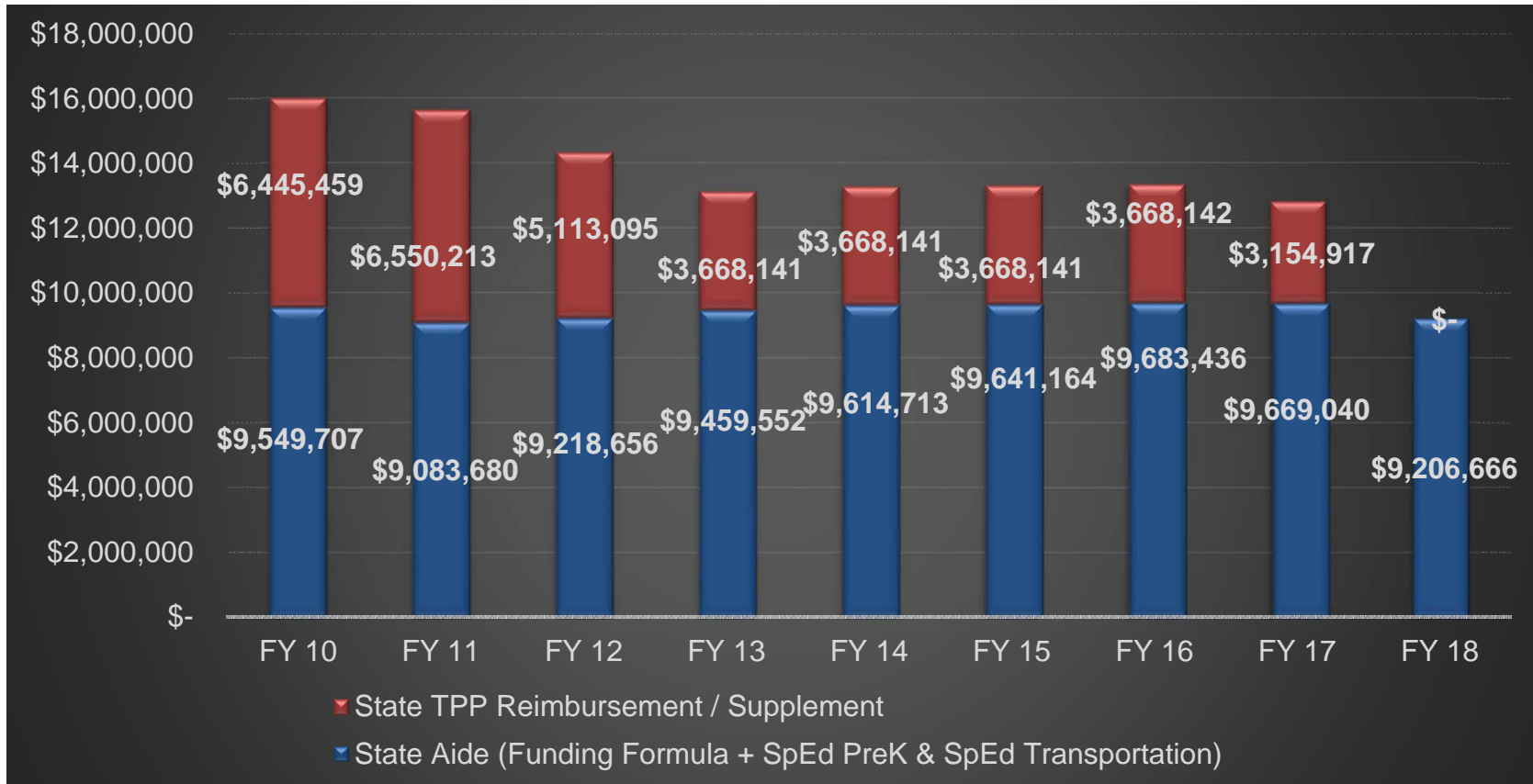
Governor's State Budget Proposal

- Impact to Strongsville City Schools:

	Fiscal Year 2016	Current Fiscal Year 2017	Proposed Fiscal Year 2018	Change in Funding Year 2016-2018	% Change in Funding Year 2016-2018
State Funding:					
Funding Formula	\$9,179,159	\$9,186,035	\$8,723,661	(\$455,498)	-4.96%
TPP Funding	\$3,668,141	\$3,154,917	\$0	(\$3,668,141)	-100.00%
Total	\$12,847,300	\$12,340,952	\$8,723,661	(\$4,123,639)	-32%

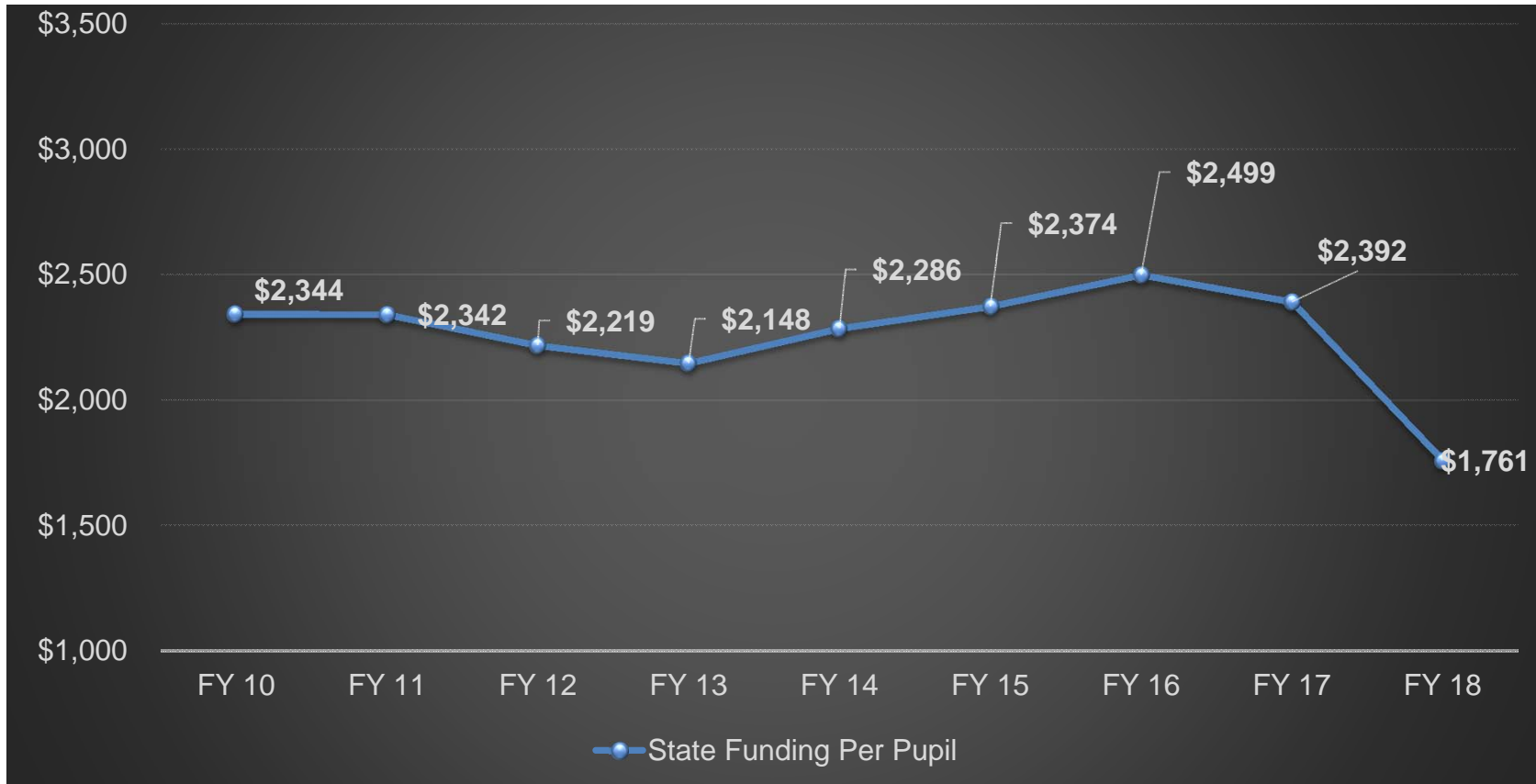
- Funding Formula amount decreased by \$455,498 or 5%
- TPP phase out remains in place, decrease of \$3,668,141.
- Total **decrease** of State Funding \$4,123,639 or 32%.

Historical State Funding



Since FY 2010, the District's State Funding has decreased by \$6,788,500 or by 43%, which is the equivalent to 4.63 mill's.

Historical State Funding – Per Pupil Amount



Since FY 2010, the District's State Funding Per Pupil amount has decrease by \$583 or by 25%.

Since FY 2016, the District's State Funding Per Pupil amount has decrease by \$738 or by 30%.

Strongsville City Schools

- Questions?