

# Strongsville City Schools

## FY 25 Annual Budget and Five Year Forecast

September 26, 2024



# Strongsville City Schools

- Estimated Resources - All Funds

# Estimated Resources - All Funds

Fund Number	Fund	Unencumbered Beginning Balance	Estimated Revenues	FY 25 Total Estimated Resources
001	General Fund	49,467,515.11	87,043,248.00	136,510,763.11
<b>Special Revenue Funds:</b>				
018	Public School Support	185,012.73	106,437.00	291,449.73
019	Other Local Grants	61,480.84	68,605.53	130,086.37
200	Student Managed Student Activity	144,437.03	186,710.00	331,147.03
300	District Managed Student Activity	177,177.86	881,950.00	1,059,127.86
401	Auxiliary Services	12.18	0.00	12.18
451	Data Communications	0.00	12,600.00	12,600.00
499	Miscellaneous State Grants	11,684.01	116,428.05	128,112.06
507	CARES Act / ESSER Fund	156.04	178,382.08	178,538.12
516	IDEA, Part B Special Education	0.00	1,554,918.22	1,554,918.22
551	Title III - Limited English Proficiency	0.00	96,194.07	96,194.07
572	Title I - Disadvantaged Children	0.00	777,670.84	777,670.84
	Title IV-A - Student Support & Academic			
584	Enrichment	0.00	94,222.10	94,222.10
587	IDEA, Preschool Grant	0.00	31,223.62	31,223.62
590	Title II-A - Improving Teacher Quality	0.00	277,657.62	277,657.62
599	Miscellaneous Federal Grants	0.01	0.00	0.01
<b>Debt Service Funds:</b>				
002	Bond Retirement	6,399,545.03	3,884,174.33	10,283,719.36
<b>Capital Projects Funds:</b>				
003	Permanent Improvement	569,013.52	1,228,243.59	1,797,257.11
004	Building Fund	993,899.89	124,480.63	1,118,380.52
070	Capital Projects	25,581,871.50	500,000.00	26,081,871.50
<b>Enterprise Funds:</b>				
006	Food Services	724,811.65	2,260,800.00	2,985,611.65
009	Uniform School Supplies	0.00	336,500.00	336,500.00
<b>Internal Service Funds:</b>				
014	Internal Service Rotary Fund	121,591.43	482,181.36	603,772.79
023	Liability Self-Insurance	16,988.77	70,000.00	86,988.77
024	Employee Benefits Self-Insurance	2,914,817.77	15,613,485.00	18,528,302.77
035	Termination Benefits	250,000.00	450,000.00	700,000.00
<b>Fiduciary Funds</b>				
022	District Agency Fund	16,857.80	75,000.00	91,857.80
<b>Total Estimated Resources</b>		<b>87,636,873.17</b>	<b>116,451,112.04</b>	<b>204,087,985.21</b>

# Annual Appropriation - All Funds

Fund Number	Fund	FY 2025 Appropriation	Carryover Encumbrances	FY25 Total Appropriation
001	General Fund	\$92,163,616.36	\$1,831,749.02	\$93,995,365.38
<b>Special Revenue Funds:</b>				
018	Public School Support	\$242,138.82	\$13,456.45	\$255,595.27
019	Other Local Grants	\$130,086.37	\$0.00	\$130,086.37
200	Student Managed Student Activity	\$303,996.67	\$1,707.01	\$305,703.68
300	District Managed Student Activity	\$1,008,781.73	\$46,468.01	\$1,055,249.74
401	Auxiliary Services	\$12.18	\$0.00	\$12.18
451	Data Communications	\$12,600.00	\$0.00	\$12,600.00
467	Student Wellness and Success Funds	\$0.00	\$0.00	\$0.00
499	Miscellaneous State Grants	\$128,112.06	\$90,000.00	\$218,112.06
507	CARES Act / ESSER Fund	\$178,538.12	\$0.00	\$178,538.12
516	IDEA, Part B Special Education	\$1,554,918.22	\$17,459.64	\$1,572,377.86
551	Title III - Limited English Proficiency	\$96,194.07	\$500.00	\$96,694.07
572	Title I - Disadvantaged Children	\$777,670.84	\$41,134.49	\$818,805.33
	Title IV-A - Student Support & Academic			
584	Enrichment	\$94,222.10	\$7,672.34	\$101,894.44
587	IDEA, Preschool Grant	\$31,223.62	\$0.00	\$31,223.62
590	Title II-A - Improving Teacher Quality	\$277,657.62	\$1,628.32	\$279,285.94
599	Miscellaneous Federal Grants	\$0.01	\$278,208.94	\$278,208.95
<b>Debt Service Funds:</b>				
002	Bond Retirement	\$3,593,092.85	\$0.00	\$3,593,092.85
<b>Capital Projects Funds:</b>				
003	Permanent Improvement	\$1,124,092.94	\$1,584,730.98	\$2,708,823.92
004	Building Fund	\$0.00	\$0.00	\$0.00
<b>Enterprise Funds:</b>				
006	Food Services	\$2,641,936.12	\$87,822.18	\$2,729,758.30
009	Uniform School Supplies	\$336,500.00	\$18,414.60	\$354,914.60
<b>Internal Service Funds:</b>				
014	Internal Service Rotary Fund	\$502,697.67	\$9,125.69	\$511,823.36
023	Liability Self-Insurance	\$86,988.77	\$27,561.62	\$114,550.39
024	Employee Benefits Self-Insurance	\$15,955,859.00	\$2,764.38	\$15,958,623.38
035	Termination Benefits	\$550,000.00	\$0.00	\$550,000.00
<b>Fiduciary Funds</b>				
022	District Agency Fund	\$79,700.96	\$2,759.94	\$82,460.90
<b>Total Appropriation</b>		<b>\$121,870,637.10</b>	<b>\$4,063,163.61</b>	<b>\$125,933,800.71</b>

# General Fund Appropriation Summary

Total General Fund by Function	FY 2025 Appropriation	Percent of Appropriation	Per Pupil Amount
<i><b>Instruction:</b></i>			
Regular Instruction	\$37,197,040	40.36%	\$6,521.22
Special Instruction	\$14,404,474	15.63%	\$2,525.33
Vocational Instruction	\$1,088,202	1.18%	\$190.78
<i><b>Support Services:</b></i>			
Support Services - Pupils	\$7,018,192	7.61%	\$1,230.40
Support Services - Instructional Staff	\$3,875,312	4.20%	\$679.40
Support Services - Board of Education	\$42,895	0.05%	\$7.52
Support Services - Administration	\$5,417,317	5.88%	\$949.74
Support Services - Fiscal Services	\$2,276,698	2.47%	\$399.14
Support Services - Business Services	\$541,544	0.59%	\$94.94
Support Services - Operation and Maintenance of Plant	\$8,869,188	9.62%	\$1,554.91
Support Services - Transportation	\$5,659,255	6.14%	\$992.16
Support Services - Central	\$2,699,700	2.93%	\$473.30
<i><b>Extracurricular Activities :</b></i>			
Academic Oriented Activities	\$259,799	0.28%	\$45.55
Sport Oriented Activities	\$1,381,092	1.50%	\$242.13
School & Public Service Co-Curricular	\$49,781	0.05%	\$8.73
<i><b>Facilities Acquisition and Construction Services:</b></i>			
Building Improvement Services (mobile units)	\$348,542	0.38%	\$61.10
<i><b>Debt Service :</b></i>			
Debt Service	\$77,053	0.08%	\$13.51
<i><b>Other Uses of Funds :</b></i>			
Transfers to Other Funds	\$957,531	1.04%	\$167.87
<b>Totals</b>	<b>\$92,163,616</b>	<b>100.00%</b>	<b>\$16,158</b>

**Note: For FY 2024-2025 Budget Per Pupil Amount increased by \$785 from \$15,373 to \$16,158 compared to FY 2023-2024.**

# Strongsville City Schools

- Five Year Forecast - General Fund

# Strongsville City Schools

## Five-Year Forecast Purpose / Objectives

### The Ohio Department of Education's purpose / objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussion of the financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. 5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

### Forecast Methodology:

This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



# Five Year Forecast - Contents

- Major Assumptions
- General Fund Revenues
- General Fund Expenditures
- Five Year Forecast Summary



# Strongsville City Schools

- Major Assumptions

# Major Assumptions

## Revenue:

- Property Tax Collection Rate - The forecast assumes the gross collection rate (includes delinquencies) will be as follows:

	CY 21	CY 22	CY 23	CY 24	3 Year Average	CY 25 Forecast	CY 26 Forecast	CY 27 Forecast	CY 28 Forecast	CY 29 Forecast
Gross Collection Rates - Includes Delinquencies	96.85%	99.26%	99.26%	99.88%	99.47%	99.47%	99.47%	99.47%	99.47%	99.47%

- The forecast assumes a 99.47% gross collection rate which is the three year average of Calendar Years 2022 through 2024. The gross collection rate did increase to 99.26% in calendar year 2022 compared to calendar year 2021 of 96.85%, which has stayed consistent in calendar year 2023, and increased to 99.88% in calendar year 2024.

# Major Assumptions - Continued

## Revenue (continued):

- The forecast assumes the following changes to assessed valuation by collection calendar year:

Collection Year	Residential	Commercial	Public Utility	Total
CY 20 Actual	\$1,240,535,320	\$339,875,680	\$44,926,610	\$1,625,337,610
CY 21 Actual	\$1,250,745,940	\$363,509,730	\$49,168,210	\$1,663,423,880
CY 22 Actual	\$1,447,677,090	\$361,300,040	\$50,043,110	\$1,859,020,240
CY 23 Actual	\$1,454,625,980	\$364,907,500	\$53,238,640	\$1,872,772,120
CY 24 Actual	\$1,461,215,550	\$368,412,300	\$53,843,160	\$1,883,471,010
CY 25 Forecast	\$1,885,951,676	\$404,443,023	\$56,815,302	\$2,347,210,001
CY 26 Forecast	\$1,899,525,939	\$403,715,025	\$59,951,507	\$2,363,192,471
CY 27 Forecast	\$1,913,197,937	\$402,988,338	\$63,260,830	\$2,379,447,105
CY 28 Forecast	\$2,117,650,659	\$412,176,472	\$66,752,828	\$2,596,579,959
CY 29 Forecast	\$2,132,893,154	\$411,434,554	\$70,223,975	\$2,614,551,683

- Collection Year 2022 was a triennial budget year for Cuyahoga County. Residential values increased by 15.74% and commercial values increased by 1.59% (net) through the valuation, however, commercial values also decreased by 2.02% through change in class for a total decrease of 0.61%. During Collection Year 2023, residential values increased by 0.48% while commercial values increased by 1.00%. Collection Year 2025 is a sexennial update for Cuyahoga County, which occurs every six years, with the last occurrence in tax year 2018. Based on preliminary conversation with the Cuyahoga County, the forecast assumes a 28.39% valuation increase in residential property. The forecast assumes a 9.50% valuation increase in commercial property.

# Major Assumptions - Continued

## Revenue (continued):

- The last triennial update occurred in tax year 2021. The next triennial update will occur in tax year 2027. The forecast assumes a 10% valuation increase in residential property and a 2% increase in commercial property for the tax year 2027 triennial update, which is based on historical averages of the previous triennial updates.
- During Collection Year 2023 Public Utility values increased by 6.39%. During Collection year 2024 Public Utility values increased by 1.14%. The forecast assumes an annual increase of 5.52% in public utility personal property valuation which is the historical average from tax years 2014-2023.

# Major Assumptions - Continued

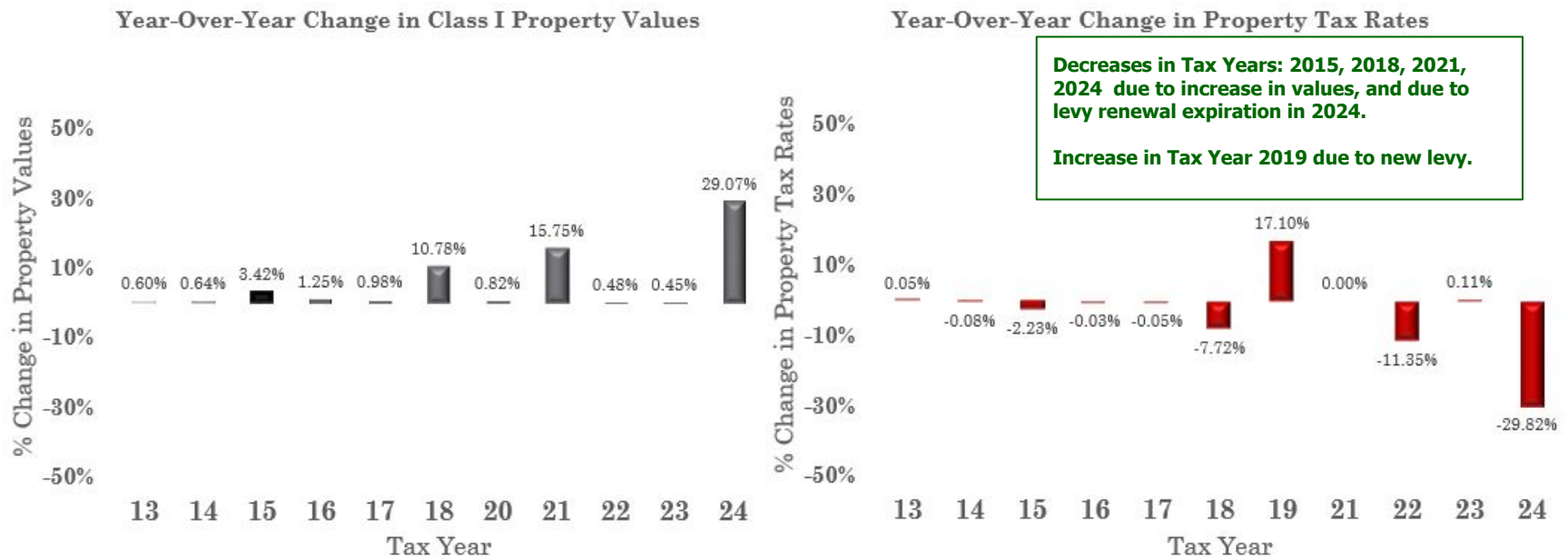
## Property Values vs. Tax Rates

*How do increasing home values impact tax rates?*



# County Reappraisal

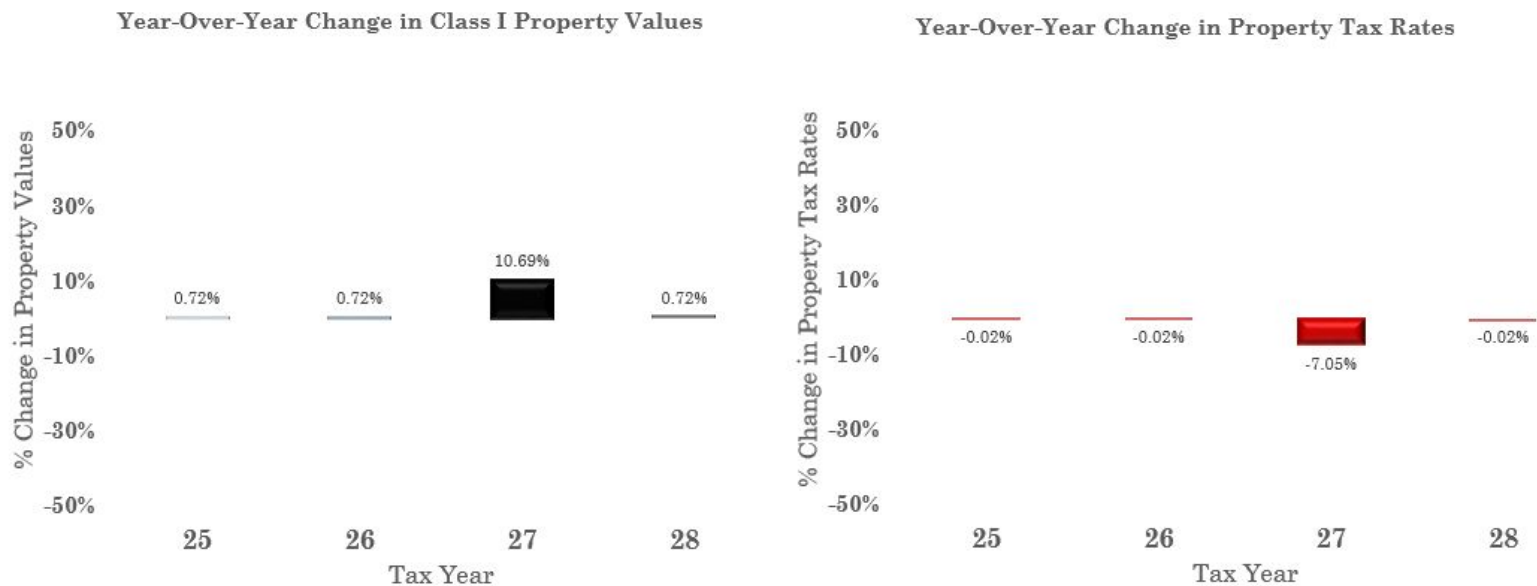
## Historical District Values vs. Tax Rates *Class I (Residential + Agriculture)*



Tax rates are set each year by the Ohio Department of Taxation. Rates can change based upon valuation change, additional levies, non-renewal of levies, etc. The charts above show the YOY % change in Class I property values and the resulting tax rates (effective) for Class I.

# County Reappraisal

## Projected District Values vs. Tax Rates *Class I (Residential + Agriculture)*



Tax rates are set each year by the Ohio Department of Taxation. Rates can change based upon valuation change, additional levies, non-renewal of levies, etc. The charts above show the YOY % change in Class I property values and the resulting tax rates (effective) for Class I.

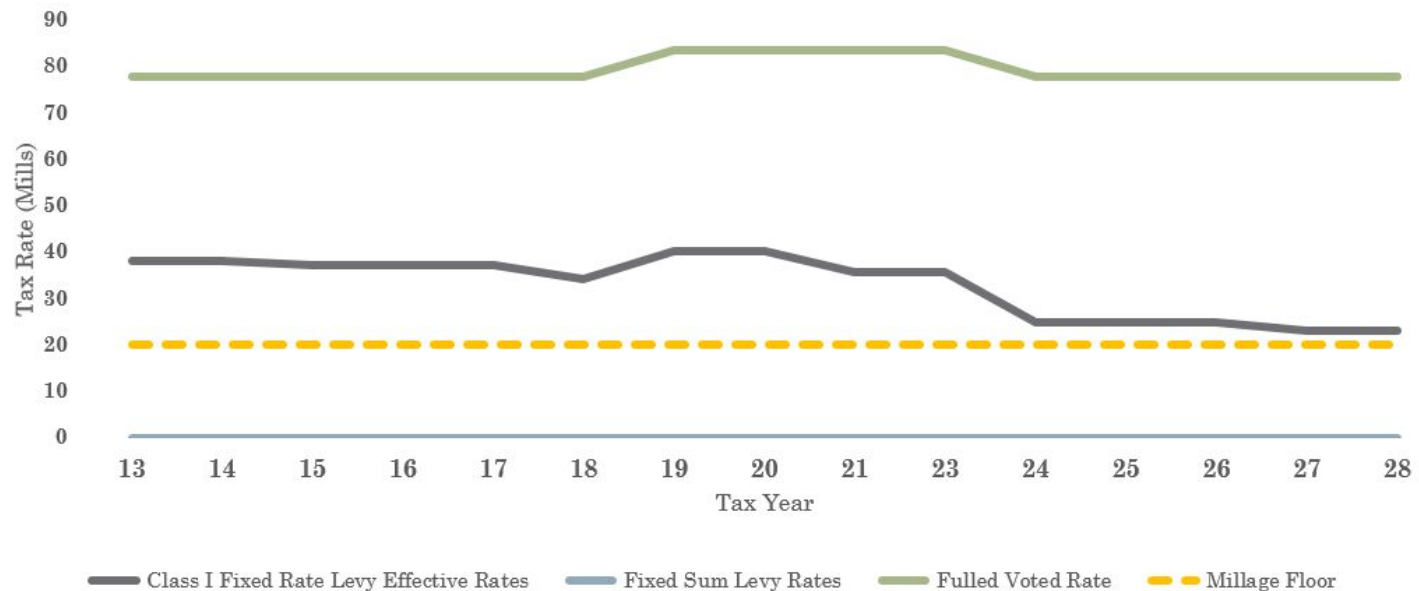
Tax Year 2027 is a triennial update year for Cuyahoga County. Forecast assumes a 10.69% increase in valuation which will be offset by a 7.05% decrease in tax effective rate



# County Reappraisal

## District's Property Tax Rates

Year-Over-Year Change in School District General Fund Property Tax Rates



### Effective rate:

- TY24 - 25.02 mills
- TY27 - 23.25 mills
- Numbers do not include proposed 4.9 mill levy.

# Major Assumptions - Continued

## Revenue (continued):

- The forecast assumes that in collection year 2022, commercial property decreased in assessed valuation by \$42,653,310 due to the sale of South Park Mall. During April of 2021, the mall was valued by the county at \$181,866,600 and sold for \$57,720,150. Prior to the sale, South Park Mall filed a complaint with the Board of Revisions requesting a value of \$60,000,000. A decrease of \$121,866,600 or \$42,653,310 of assessed valuation (assessed valuation = 35% of value). The decrease in assessed valuation is offset by the 5% increase of commercial values in the 2021 triennial update.
- Additionally, the forecast experienced a tax refund of \$2,509,277 in FY 2022 with the majority attributed to South Park Mall for tax years 2018, 2019, 2020.
- In May 2019 residents approved a 5 year 5.9 mill levy with collection beginning January 2020. The forecast assumes the levy **has expired** tax year December 31, 2023. Collections will continue through December 31, 2024.  
*Due to the expiration of this levy, the Board of Education has voted to place a 4.9 mill continuous levy on the November 2024 ballot. If approved by the community, collections would begin January 2025.*
- In November 2021 residents renewed a 5 year 6 mill levy with collection beginning January 2023. The forecast assumes the levy will expire tax year December 31, 2026. Collections will continue through December 31, 2027.

# Major Assumptions - Continued

## Revenue (continued):

- State Funding - Beginning with FY 2022, state funding is calculated based on the fair funding formula that was approved in the FY 2022-2023 biennium state budget under House Bill 110.

Compared to FY 2021, State Funding may appear to have decreased in the forecast, however, under the fair funding formula pass through funds such as community school funding, private school scholarships, and open enrollment funds will be sent direct to the appropriate school rather than be included in the Districts revenue. Additionally, the appropriate expenditures are also decreasing in the Districts forecast/budget under purchase services. The District expects a combined net impact of \$1,124,303 in FY 2022. As information changes the estimates will be updated. The District is considered a guarantee district in FY 2022 and beyond.

Beginning with FY 2024, the FY 2024-2025 biennium state budget was approved, which continued the implementation of the fair funding formula. The District expects to see increases in state funding of \$574,000 in FY 2024 and \$405,000 in FY 2025 for a cumulative increase of \$979,000. The District is still considered a guarantee District in FY 2024 and beyond.

# Major Assumptions - Continued

## Revenue (continued):

- Restricted aid is the portion of State funding that must be classified as restricted use. Restricted funds represents 0.91% of total revenue. Beginning with FY 2022 the district's Success & Wellness funding is considered restricted, the State's share of this funding that is recorded as restricted is \$229,563. This funding has implications on general fund expenditures in certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

Below is a summary of the restricted aid by fiscal year and category:

Restricted State Funding	FY2025	FY2026	FY2027	FY2028	FY2029
Success and Wellness	\$229,563	\$222,020	\$209,199	\$217,763	\$217,958
Career Tech, ELL	\$45,512	\$55,086	\$63,069	\$65,651	\$65,710
Disadvantaged Pupil Impact Aid (DPIA)	\$50,648	\$46,912	\$42,802	\$39,792	\$37,616
Gifted	\$162,404	\$137,670	\$113,011	\$113,111	\$113,208
Other (Science of Reading Reimbursement)	\$300,000	\$0	\$0	\$0	\$0
<b>Total Restricted State Funding</b>	<b>\$788,127</b>	<b>\$461,688</b>	<b>\$428,081</b>	<b>\$436,317</b>	<b>\$434,492</b>

# Major Assumptions - Continued

## Revenue (continued):

- Changes in Revenue between the May 2024 Forecast compared to the September 2024 Forecast:

	FY 2025	FY 2026	FY 2027	FY 2028
1.010 - General Property Tax	\$915,857	\$664,168	\$671,743	\$667,699
1.020 - Public Utility	-\$790	-\$128	-\$135	-\$143
1.035 - Unrestricted Grants-in-Aid	\$108,731	\$156,204	\$212,877	\$258,189
1.040 - Restricted Grants-in-Aid	\$298,796	-\$1,462	-\$1,821	-\$2,000
1.050 - State Share of Local Property Taxes	\$10,278	\$40,593	\$40,881	\$40,359
1.060 - All Other Operating Revenues	\$451,760	\$373,545	\$373,545	\$373,545
2.050 - Advances In	-\$28,063	\$0	\$0	\$0
2.060 - All Other Financing Sources	\$66,000	\$1,000	\$1,000	\$1,000
11.020 - Property Tax - Renewal Levy	-\$4,823,404	-\$9,684,292	-\$9,759,959	-\$9,809,069
13.020 - Property Tax - New Levy	\$4,619,426	\$9,273,706	\$9,344,091	\$9,413,409
Total Changes	\$1,618,591	\$823,334	\$882,222	\$942,989

# Major Assumptions - Continued

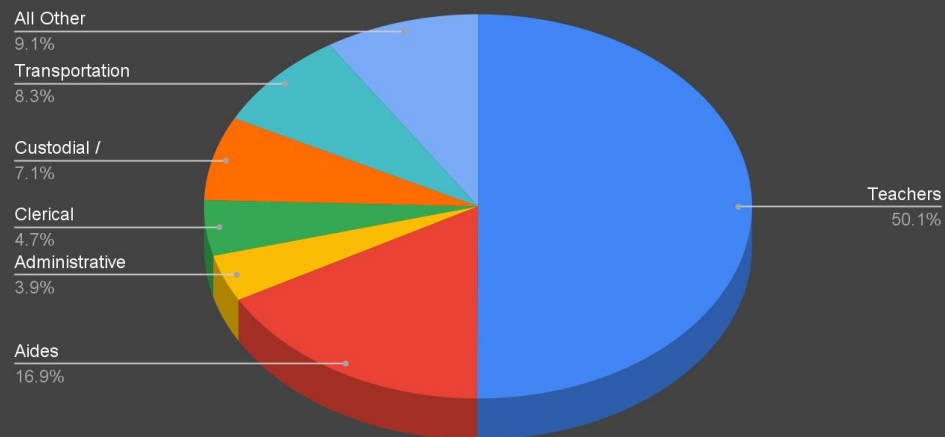
## Revenue (continued):

- Changes in Revenue between the May 2024 Forecast compared to the September 2024 Forecast:
  - **Property Taxes** - Increases in property tax revenue is primarily to the increase in the average gross collection rate from 98.46% to 99.47%.

The Board of Education has let the 2019 5-year renewal levy which expire, as final collections concluded in calendar year 2024. In its place, the Board of Education has voted to place a 4.9 mill continuous levy on the November 2024 ballot. If approved by the community, collections would begin January 2025.
  - **State Aid** - Unrestricted aid increased primarily due to increased transportation funding. Restricted aid increased during FY 2025 due to a one time state reimbursements for Science of Reading stipends to teachers.
  - **All Other Revenue** - Based on current interest rates and interest income, the forecast assumes interest income to similar levels for this year. However, in future years, the forecast assumes a decline due to predicted federal rate cuts and declining cash balances when we begin to deficit spend.

# Personnel Trends (ALL FUNDS)

STAFFING TRENDS BY JOB CLASSIFICATION						
School District	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Teachers	392.04	400.01	418.74	418.74	418.74	418.74
Aides	123	133	141	141	141	141
Administrative	31	32	33	33	33	33
Clerical	40	39.5	39	39	39	39
Custodial / Maintenance	59	60	59	59	59	59
Transportation	68	70.5	69.5	69.5	69.5	69.5
All Other	78	77.66	76.29	76.29	76.29	76.29
<b>TOTAL</b>	<b>791.04</b>	<b>812.67</b>	<b>836.53</b>	<b>836.53</b>	<b>836.53</b>	<b>836.53</b>
Year to Year Change	29.00	21.63	23.86	0.00	0.00	0.00





# Major Assumptions - Continued

## Expenditures:

- Staffing Assumptions (General Fund Only):

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
<b>General Fund</b>	<b>725</b>	<b>776</b>	<b>776</b>	<b>776</b>	<b>776</b>	<b>776</b>
<b>Prior Year Net Change</b>	<b>+24</b>	<b>+51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Forecast assumes all union agreements are as currently defined.
- In FY 25, the forecast assumes 776 general fund positions, an increase of 51 positions. The increase is due to 35 positions coming onto the general fund from ESSER funds as those funds expired at the end of FY 2024. The remaining 16 positions are due to increases in teaching and support staff including an additional guidance counselor 1 at SMS and 1 at SHS, and new Human Resources Coordinator position due to enrollment needs.
- Health care premiums increased by 3% in FY 21. For FY 22, the District experienced a 1.37% increase. For FY 23, the District experienced a 8.70% increase. For fiscal year 2024 health care premiums increased by 15.00%. For fiscal year 2025 health care premiums will increase by 3.00%. For fiscal years 2026-2029 the projected annual increase is 7% which is based on a five year historical average.

# Major Assumptions - Continued

## Expenditures (continued):

- Purchase services decreased by \$1,950,730 from FY 2021 to FY 2022. The decrease is due to the implementation of fair funding formula beginning in FY 2022. The fair funding formula funds only district educated enrollment thereby reducing tuition costs for open enrollment out, community schools, and scholarships. During FY 2024, purchase services increased by \$304,112. During FY 2025, the forecast assumes that purchase services to increase by \$1,291,822. The increases are due to increased cost and placements for special education placements, instructional services costs (Raz Kids every three years, secondary Edmentum Online previously funded through ESSER, ELA & Math Diagnostic), lease for mobile units in FY 2025 and projected increases for utility costs and risk/property insurances.
- Materials and Supplies increased by \$1,585,585, from FY 2023 to FY 2024 which is due to a combination FY 2023 savings or unspent budget. During FY 2023, \$250,000 of textbook budget was not used and carried into FY 2024 for a larger textbook adoption. In addition in FY 2024, the District purchased new elementary ELA textbooks (\$1.1 million) to be in compliant with recently approved legislation for High Quality Instructional Materials. Overall, Materials and Supplies make up about 3.25% of the District's General Fund expenditures for FY2025.
- The primary increases in the Capital Outlay category is the purchase of Chromebooks and infrastructure to support the District's 1:1 technology initiative.
- For Additional Assumptions and Details, see the accompanying Five Year Forecast Financial Report.

# Major Assumptions - Continued

## Expenditures (continued):

- Changes in Expenditures between the May 2024 Forecast compared to the September 2024 Forecast:

	State Line Item No and Description	Amount			
		2025	2026	2027	2028
Total		\$931,153	\$525,667	\$569,632	\$519,825
	3.010 Personal Services	\$763,812	\$564,436	\$612,952	\$656,382
	3.020 Employees' Retirement/Insurance Benefits	\$-127,495	\$-200,060	\$-209,391	\$-302,600
	3.030 Purchased Services	\$199,085	\$119,593	\$122,022	\$124,656
	3.040 Supplies and Materials	\$88,837	\$14,799	\$14,799	\$14,799
	3.050 Capital Outlay	\$19,500	\$20,000	\$20,000	\$20,000
	4.010 Principal-All (Historical Only)	\$0	\$0	\$0	\$0
	4.060 Interest and Fiscal Charges	\$0	\$0	\$0	\$0
	4.300 Other Objects	\$-18,086	\$1,399	\$1,250	\$1,088
	5.010 Operating Transfers-Out	\$5,500	\$5,500	\$8,000	\$5,500
	5.020 Advances-Out	\$0	\$0	\$0	\$0

# Major Assumptions - Continued

## Expenditures (continued):

- Changes in Expenditures between the May 2024 Forecast compared to the September 2024 Forecast:
  - **Salaries** - Salaries increased by \$763,812. \$463,812 is due to the additional positions that were added over the course of the summer to address enrollment and student needs, which has a year over year impact to the forecast. In addition, salaries increased in FY 2025 by \$300,000 for a one time expense for the Science of Reading stipend which will be reimbursed by the State of Ohio.
  - **Benefits** - Benefits decreased by \$127,495 for FY 2025 which also had a year over year decrease. Medical benefits was the largest savings due to changes of benefit levels from placeholders from open positions to what was actually by the newly hired employees.
  - **Purchase Services** - Purchase Service increased by \$199,085 primarily due to additional cost from forecasted for the following: nursing services (\$43,000), mobile units (\$23,000), utilities (\$30,000), payment in lieu of transportation (\$50,000), and student drug testing (\$40,000).
  - **Materials and Supplies** - Materials and Supplies increased by \$88,837 for FY 2025, which was due to mainly due one time expenses for furniture and equipment cost to outfit the mobile units. The yearly increase of \$14,000 was due to school allocation increases due to the fall enrollment adjustment.

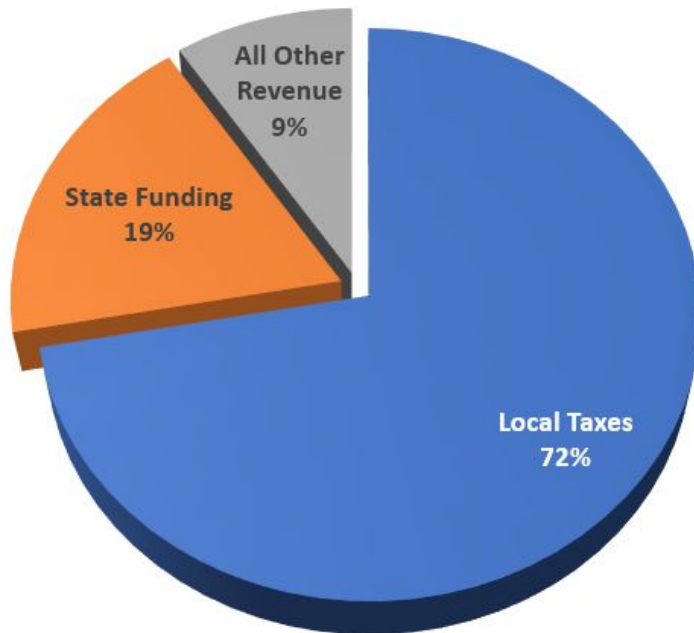
# Strongsville City Schools

- General Fund Revenues

# Strongsville City Schools

## FY 2024-2025

### Current Fiscal Year Projected Revenue Analysis



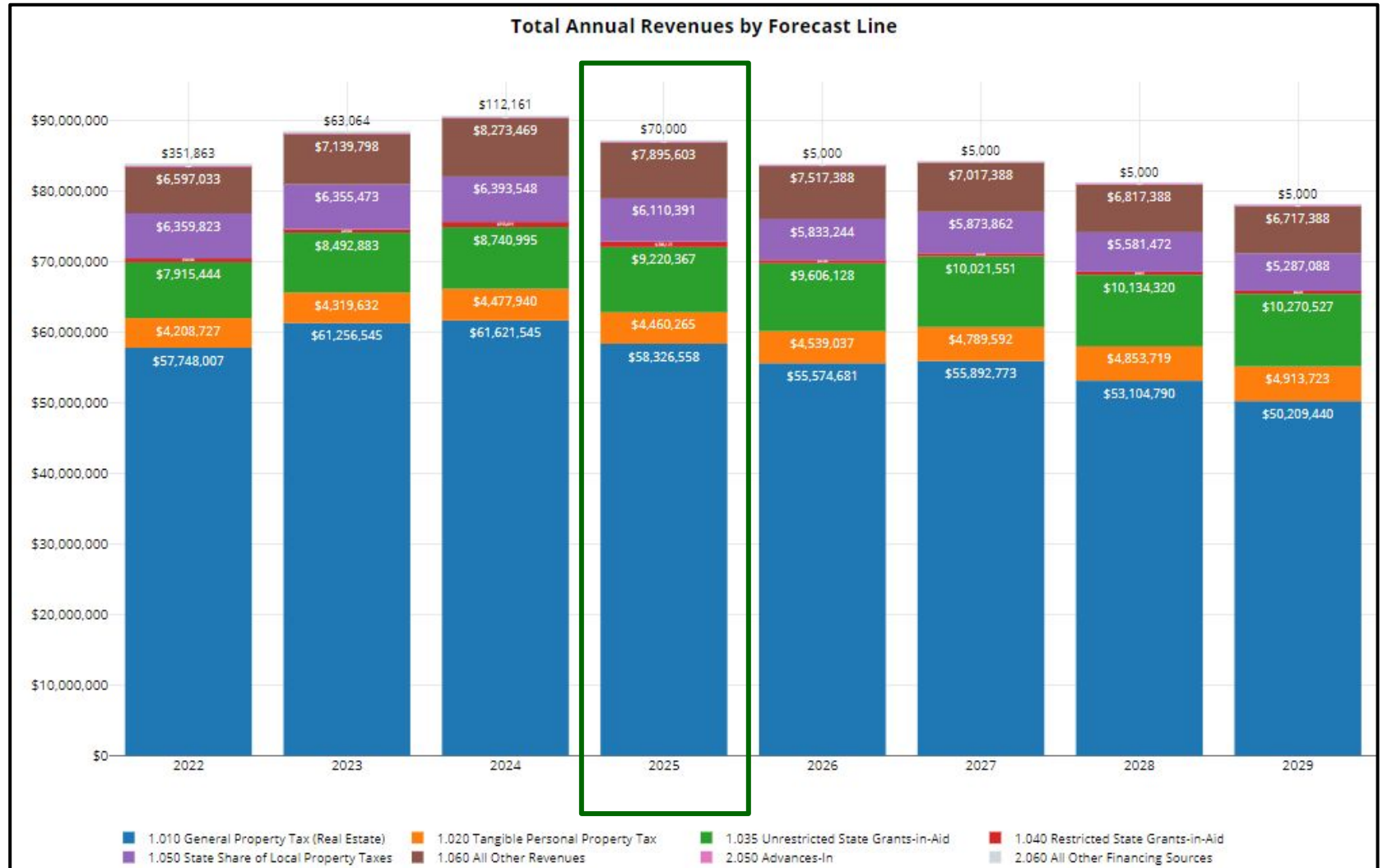
<b>Projected Local Taxes</b>	<b>\$62,786,823</b>
Real Estate Property Taxes	\$58,326,558
Public Utility Property Taxes	\$4,460,265
Income Taxes	\$0

<b>Projected State Funding</b>	<b>\$16,118,885</b>
Fair School Funding Plan	\$9,220,367
Restricted State Funding	\$788,127
State Share of Local Taxes	\$6,110,391

<b>Projected All Other Revenue</b>	<b>\$12,756,966</b>
Other Operating Revenue	\$7,895,603
Other Sources	\$241,937

# Strongsville City Schools

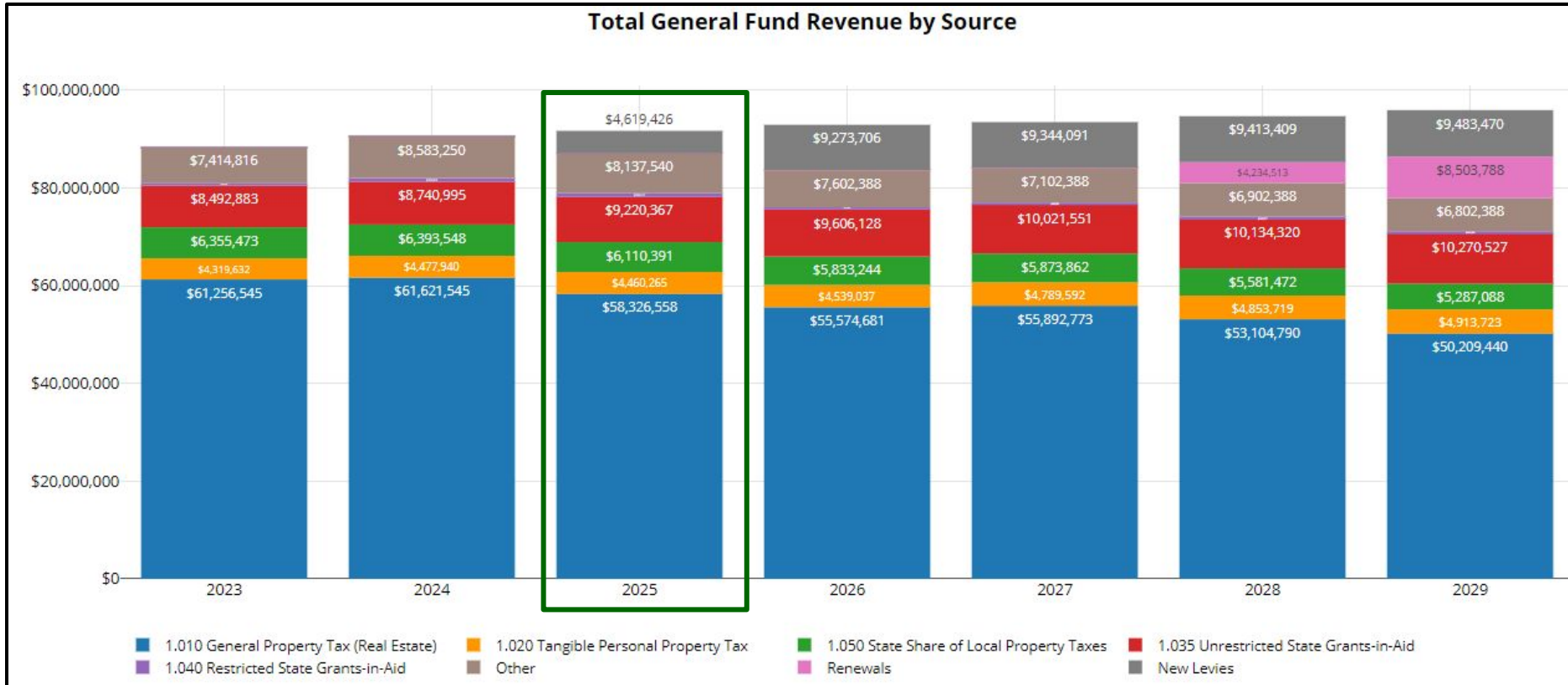
## FY 2024-2025 Revenues (without renewals)





# Strongsville City Schools

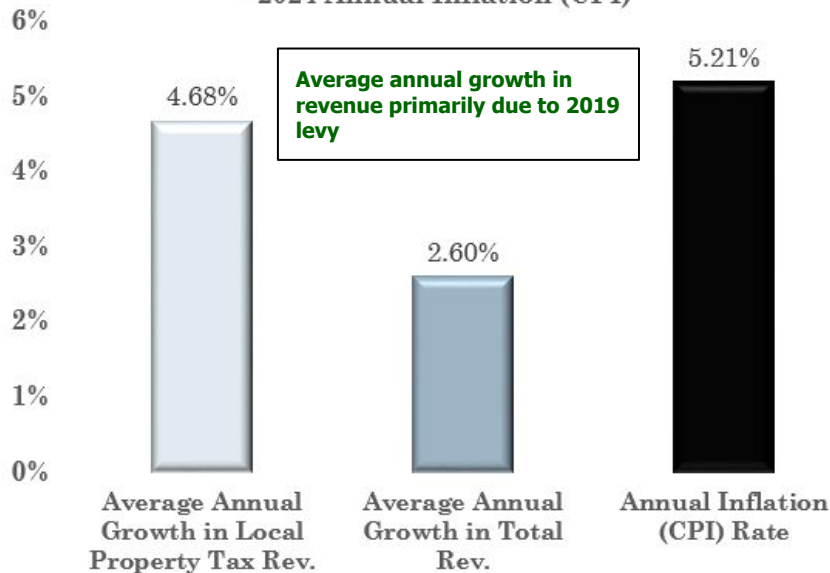
## FY 2024-2025 Revenues (with renewals & new levies)



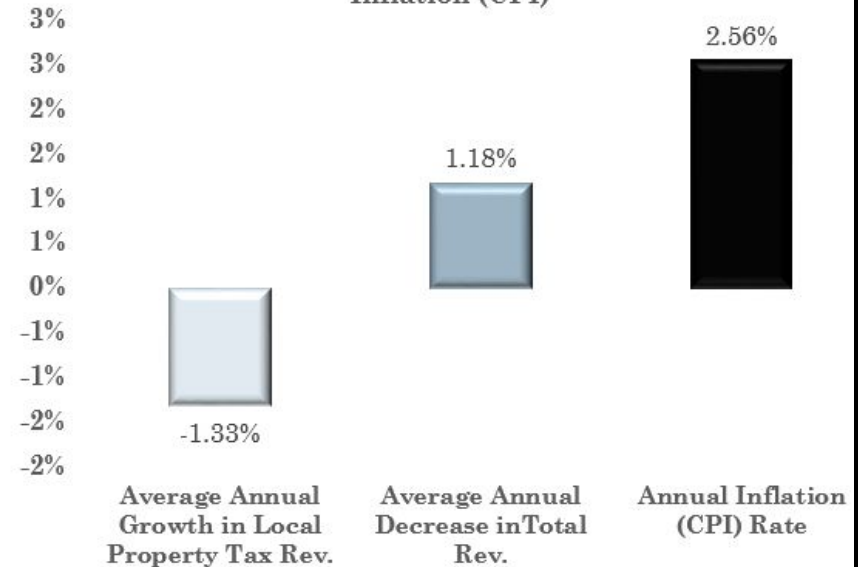
# Strongsville City Schools

## District Tax Revenue vs. Inflation

10 Year Historical Average  
Annual Change in Revenue Compared to FY 2022  
– 2024 Annual Inflation (CPI)



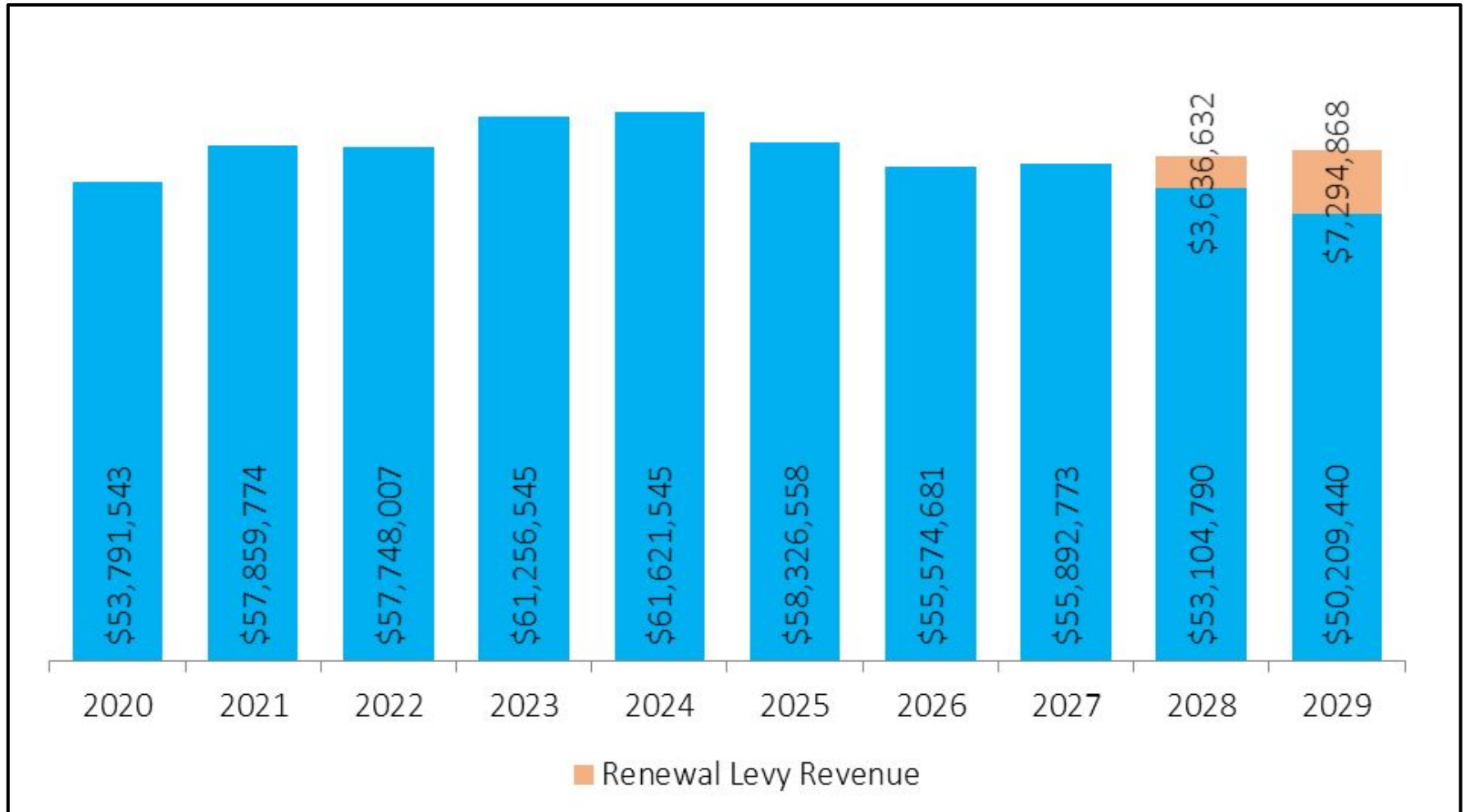
5 Year Projected Average  
Annual Change in Revenue Compared to  
Inflation (CPI)



The projected annual inflation (CPI) rate noted above is calculated using an average of historic pre-Pandemic levels to be for comparison purposes. Local property taxes can increase/decrease due to changes in effective tax rates, property values, and collection rates.

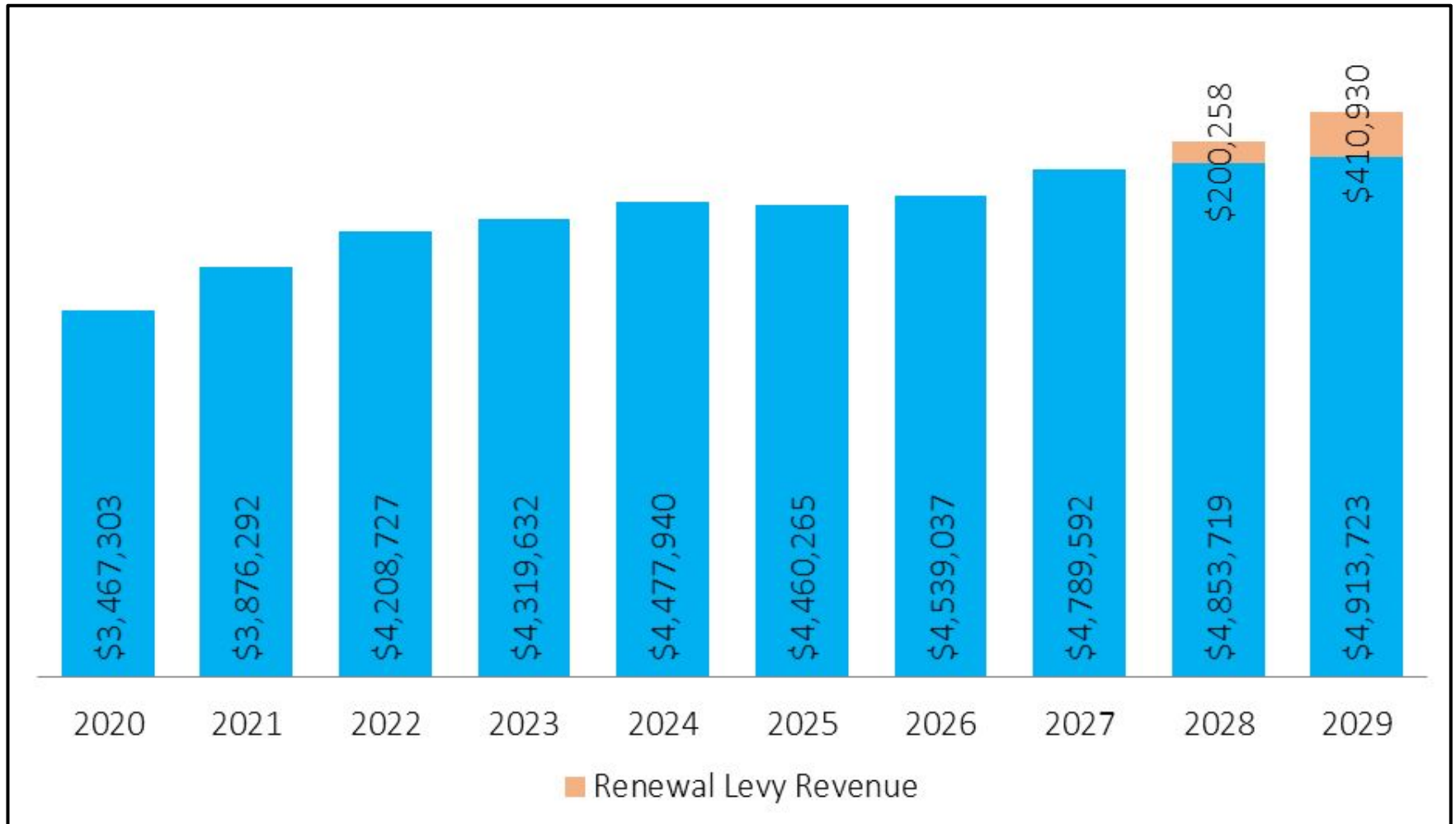
# Strongsville City Schools

## Local Taxes - Residential and Commercial



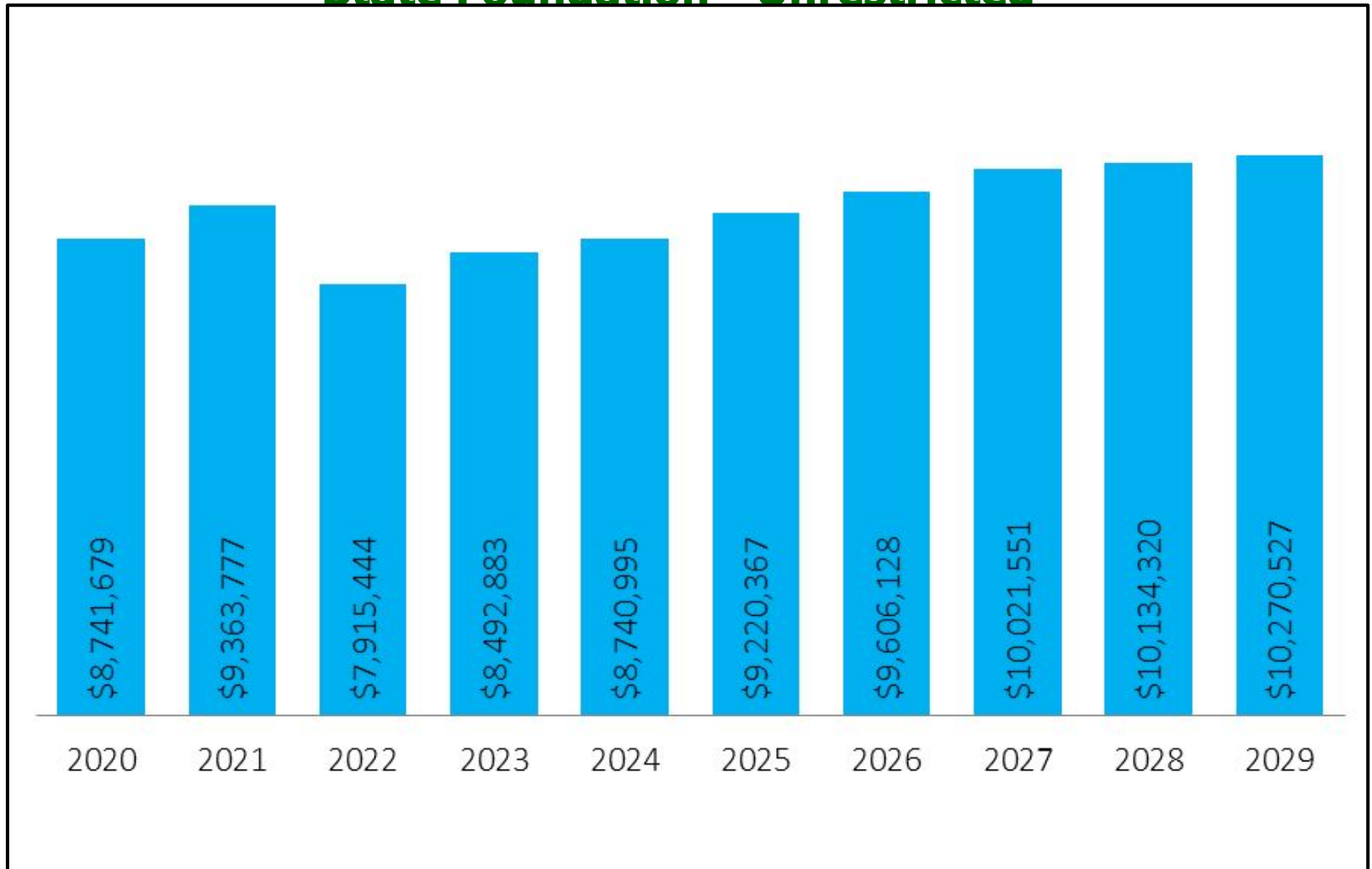
# Strongsville City Schools

## Local Taxes - Public Utility



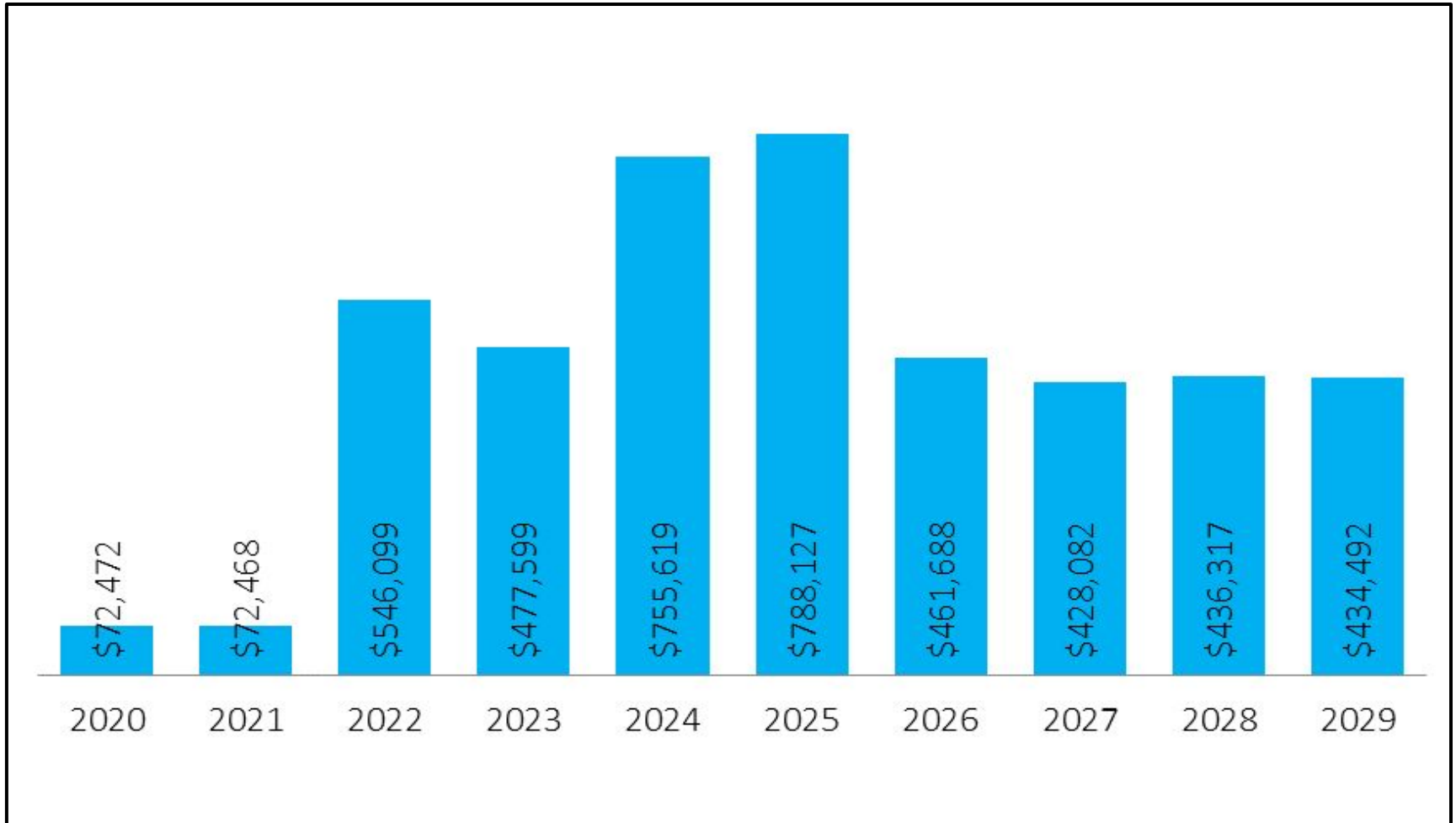
# Strongsville City Schools

## State Foundation - Unrestricted



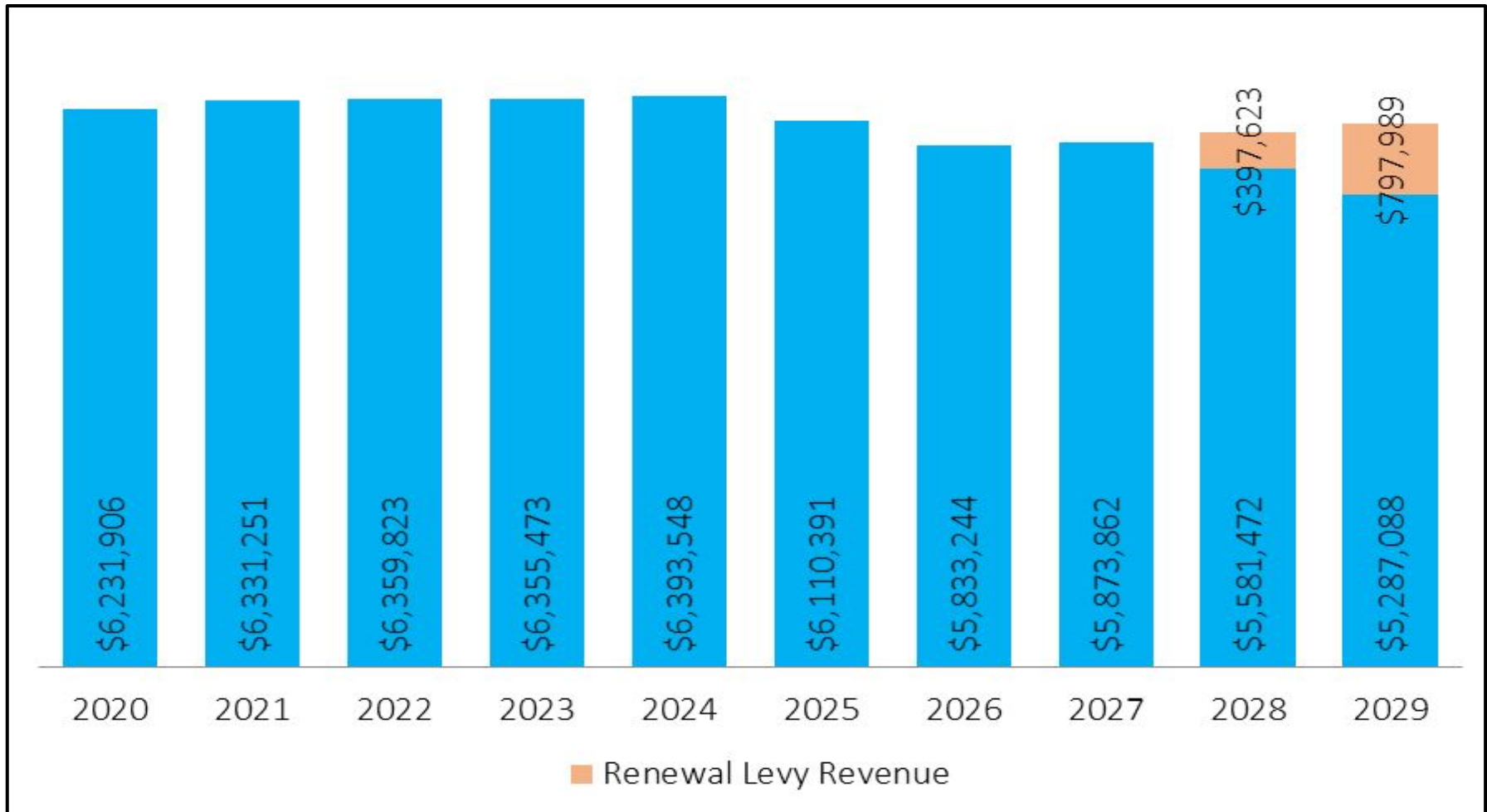
# Strongsville City Schools

## State Foundation - Restricted



# Strongsville City Schools

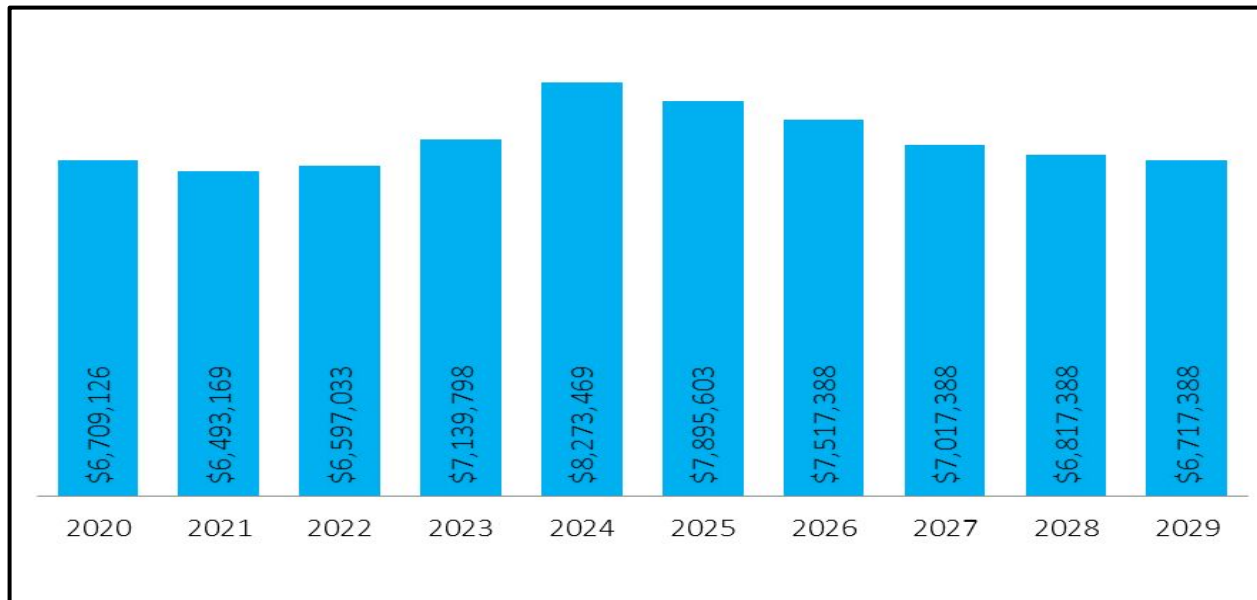
## State Share of Local Property Taxes





# Strongsville City Schools

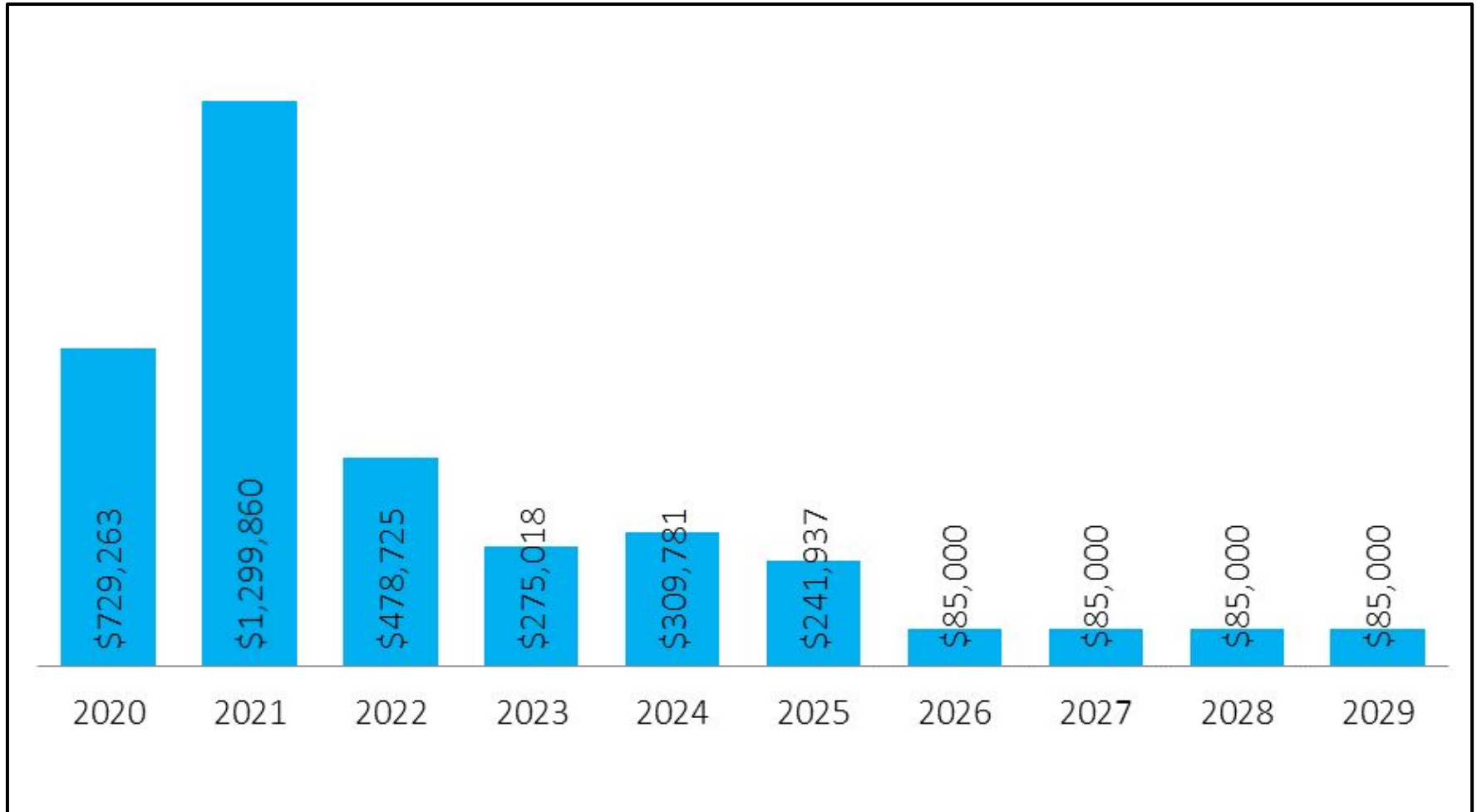
## Other Revenue



Other Revenue Sources	FY2024 Actual	FY2025	FY2026	FY2027	FY2028	FY2028
Preschool Tuition	\$131,796	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Full Day Kindergarten Tuition	\$577,447	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
Tuition From Other Districts	\$386,977	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000
Interest income	\$2,689,907	\$2,500,000	\$2,200,000	\$1,700,000	\$1,500,000	\$1,400,000
Sports Pay to Play & Trainer	\$252,979	\$254,500	\$254,500	\$254,500	\$254,500	\$254,500
Special Ed Catastrophic Aid	\$550,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Medicaid Reimbursement	\$250,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Revenue in Lieu of Taxes/TIF's	\$3,053,219	\$2,960,294	\$2,960,294	\$2,960,294	\$2,960,294	\$2,960,294

# Strongsville City Schools

## Other Financing Sources



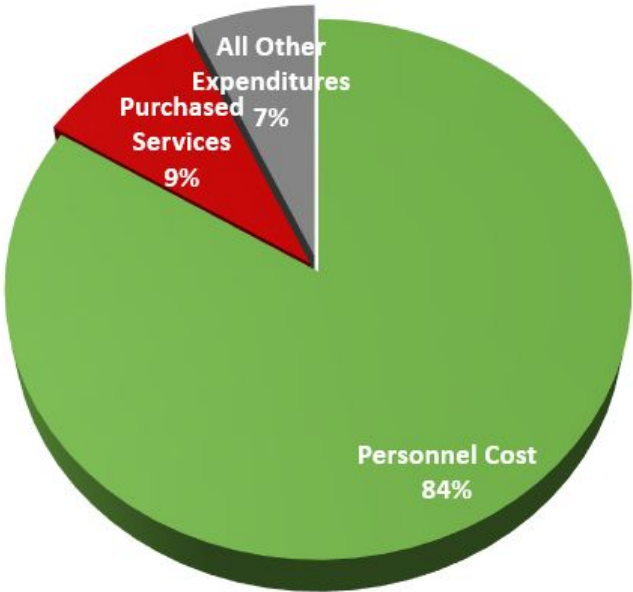
# Strongsville City Schools

- General Fund Expenditures

# Strongsville City Schools

## FY 2024-2025

Current Fiscal Year Projected Expenditure Analysis



Projected Personnel Costs	\$77,243,625
Salaries	\$53,818,488
Benefits	\$23,425,137

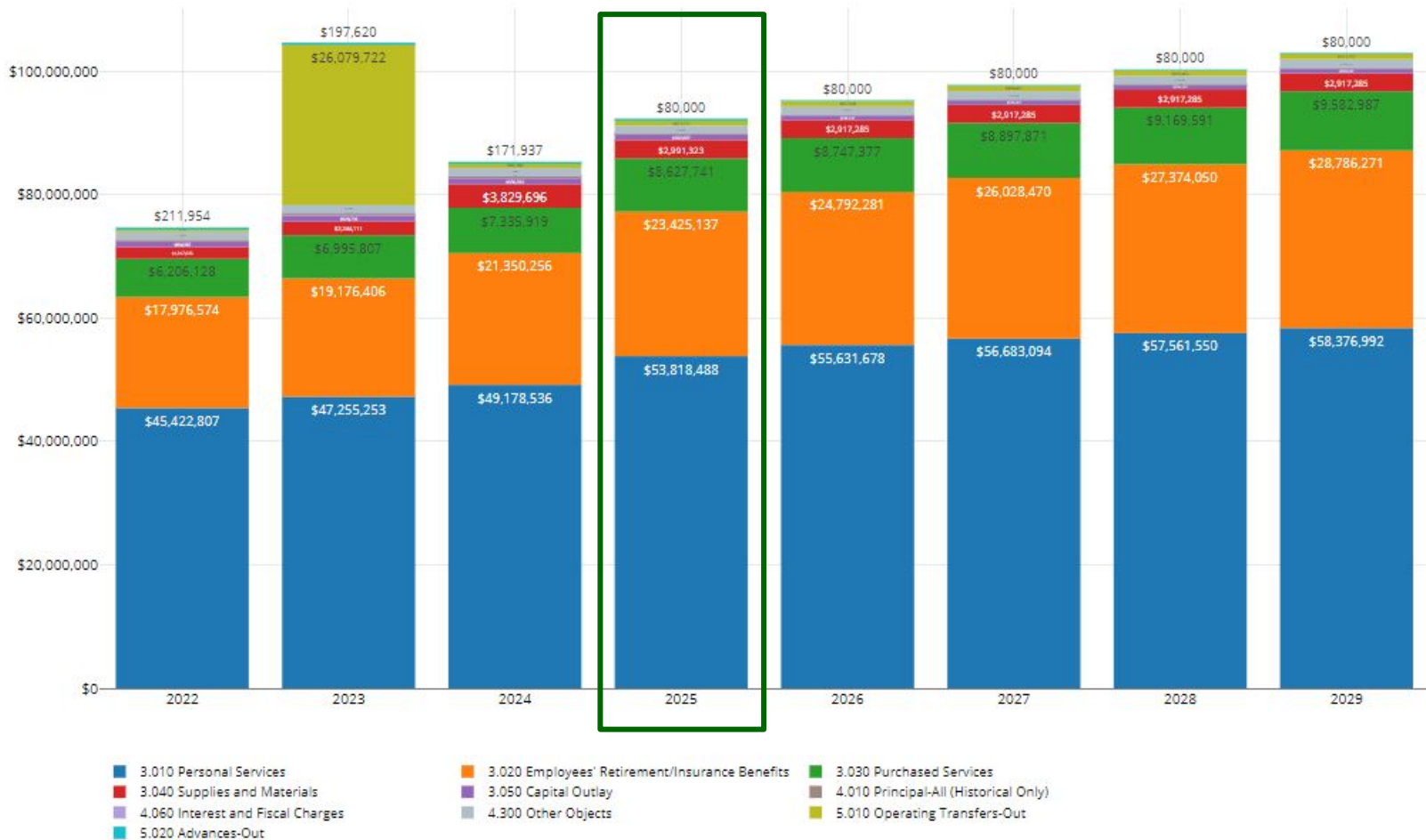
Projected Purchased Services	\$8,627,741
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Projected All Other Expenditures	\$6,292,252
Supplies, Capital, Debt, Other Operating	\$5,334,721
Advances, Transfer, Other Uses	\$957,531

# Strongsville City Schools

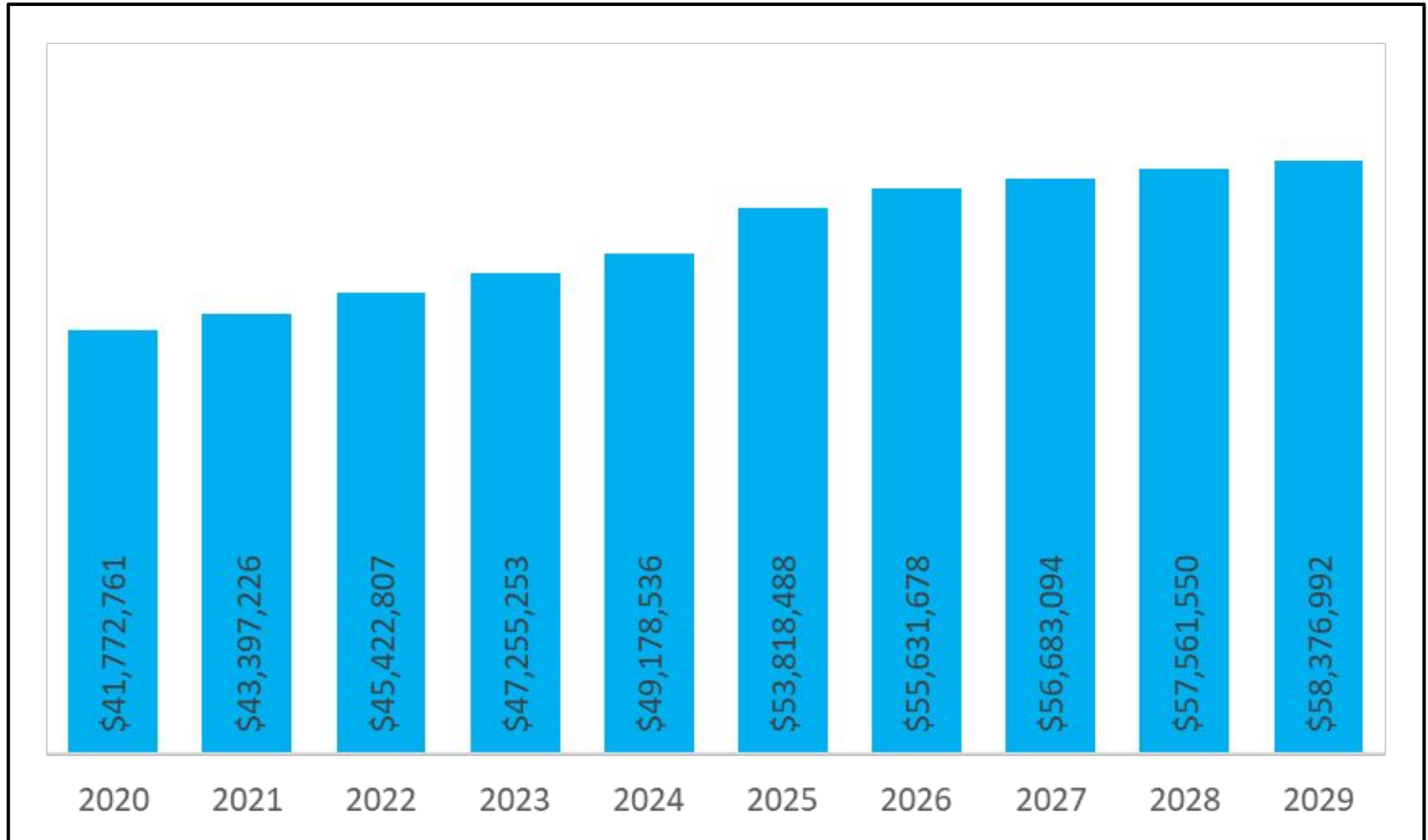
## FY 2024-2025 Expenditures

Total Annual Expenditures by Forecast Line



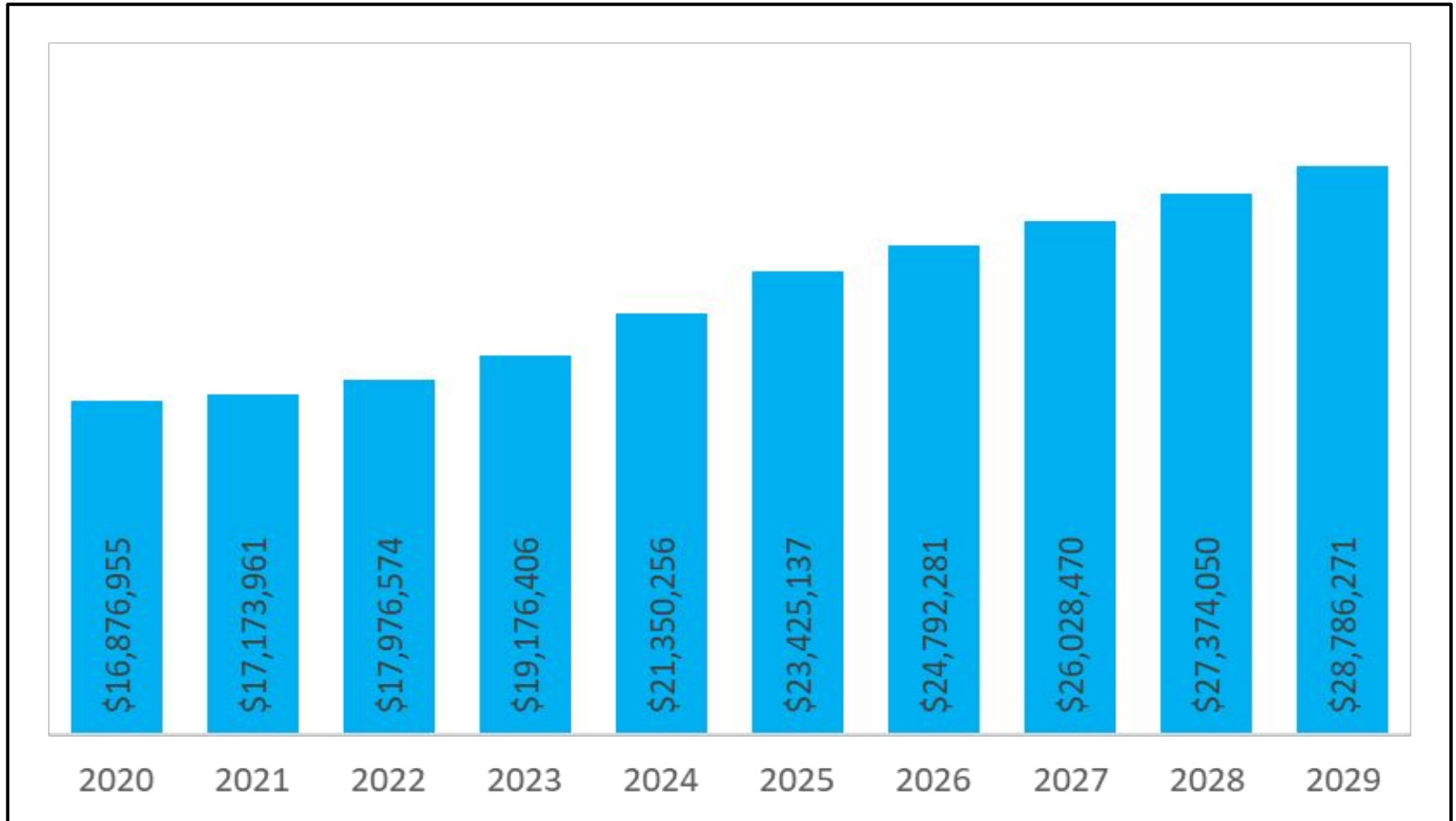
# Strongsville City Schools

## Salaries



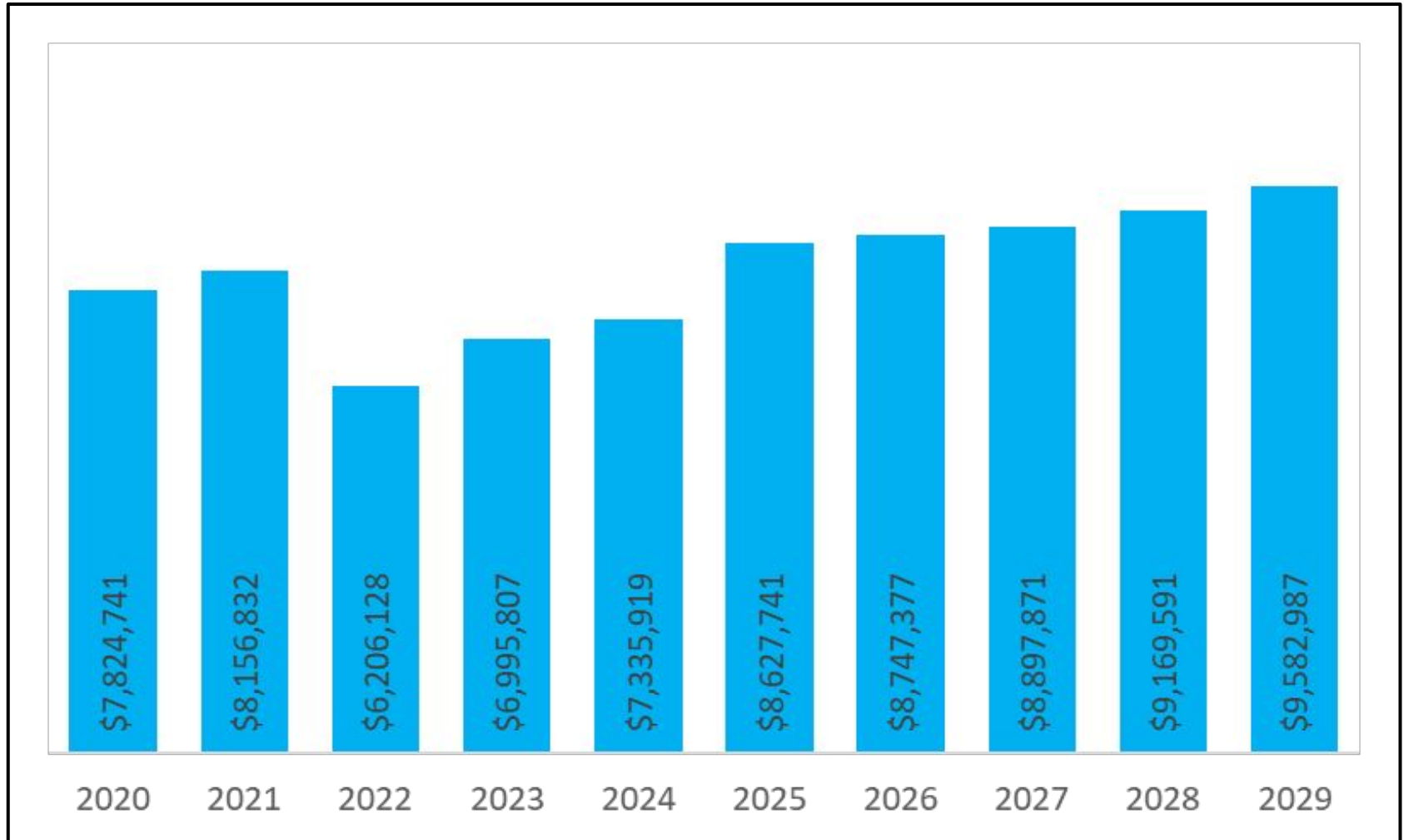
# Strongsville City Schools

## Benefits



# Strongsville City Schools

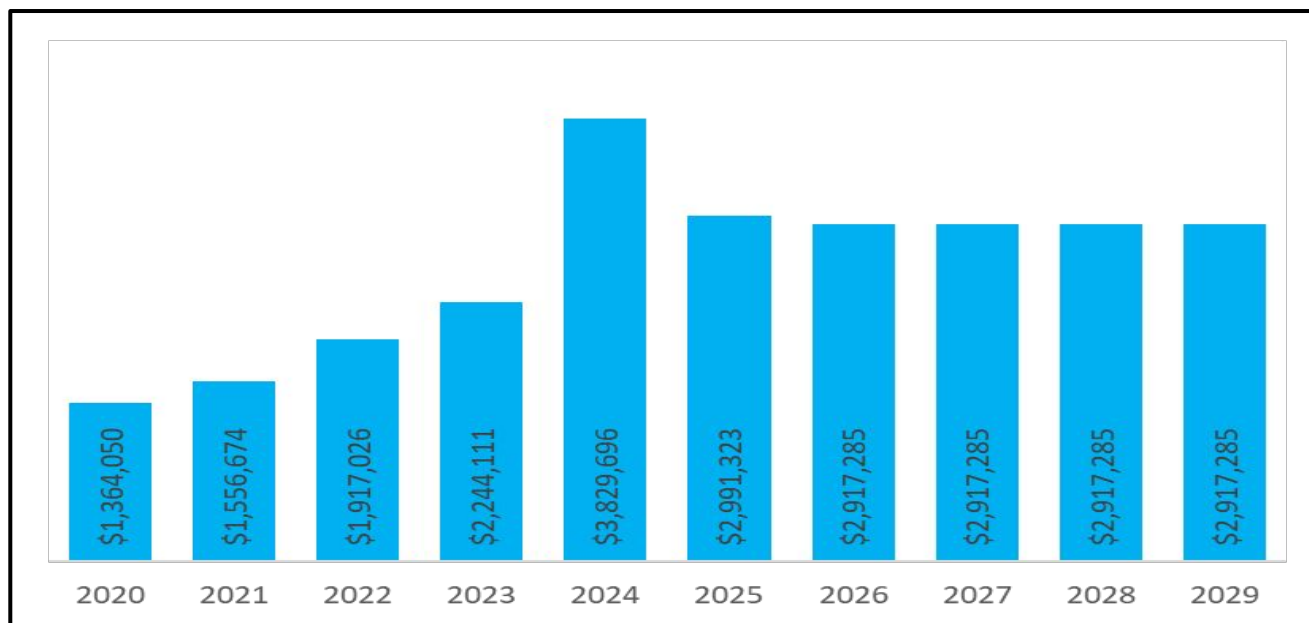
## Purchased Services





# Strongsville City Schools

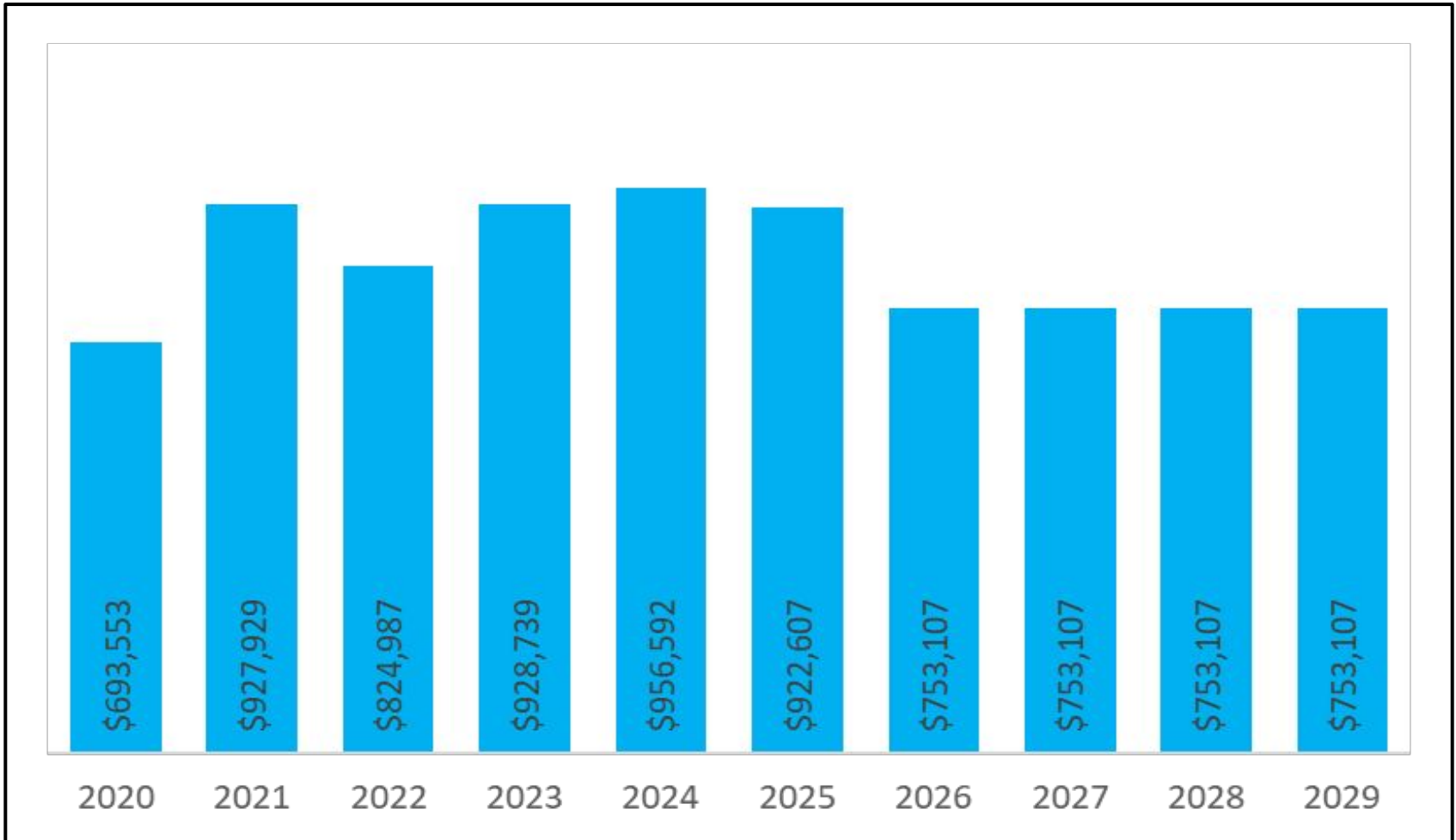
## Supplies and Materials



Materials and Supplies	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Instructional Supplies (511, 519)	\$315,589	\$371,364	\$371,364	\$371,364	\$371,364	\$371,364
Office Supplies	\$27,867	\$85,900	\$85,900	\$85,900	\$85,900	\$85,900
Textbooks	\$1,960,652	\$721,000	\$721,000	\$721,000	\$721,000	\$721,000
Software	\$339,183	\$422,354	\$416,554	\$416,554	\$416,554	\$416,554
Fuel	\$305,674	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Building and Cleaning Supplies	\$321,341	\$363,728	\$363,728	\$363,728	\$363,728	\$363,728

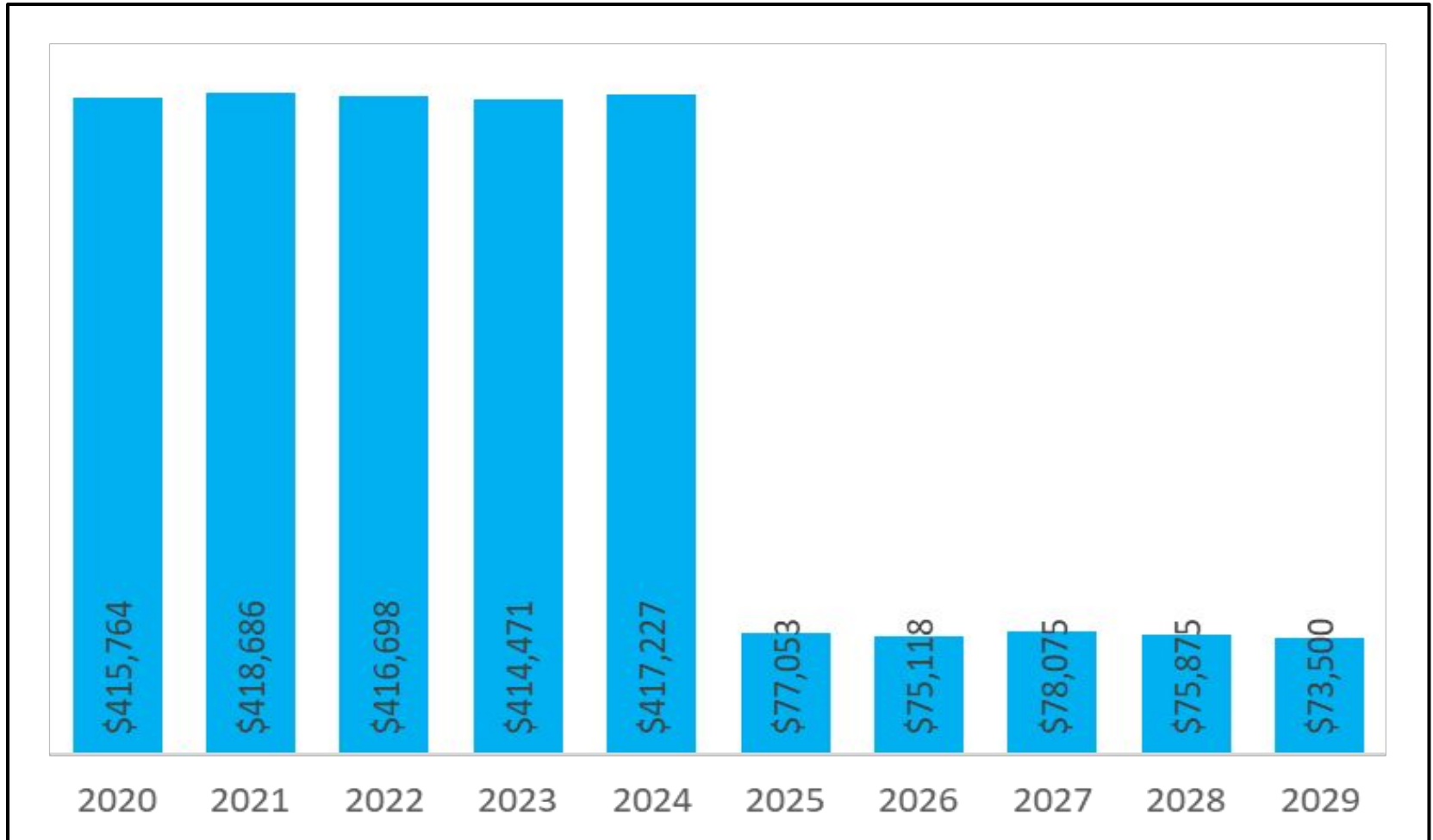
# Strongsville City Schools

## Capital Outlay



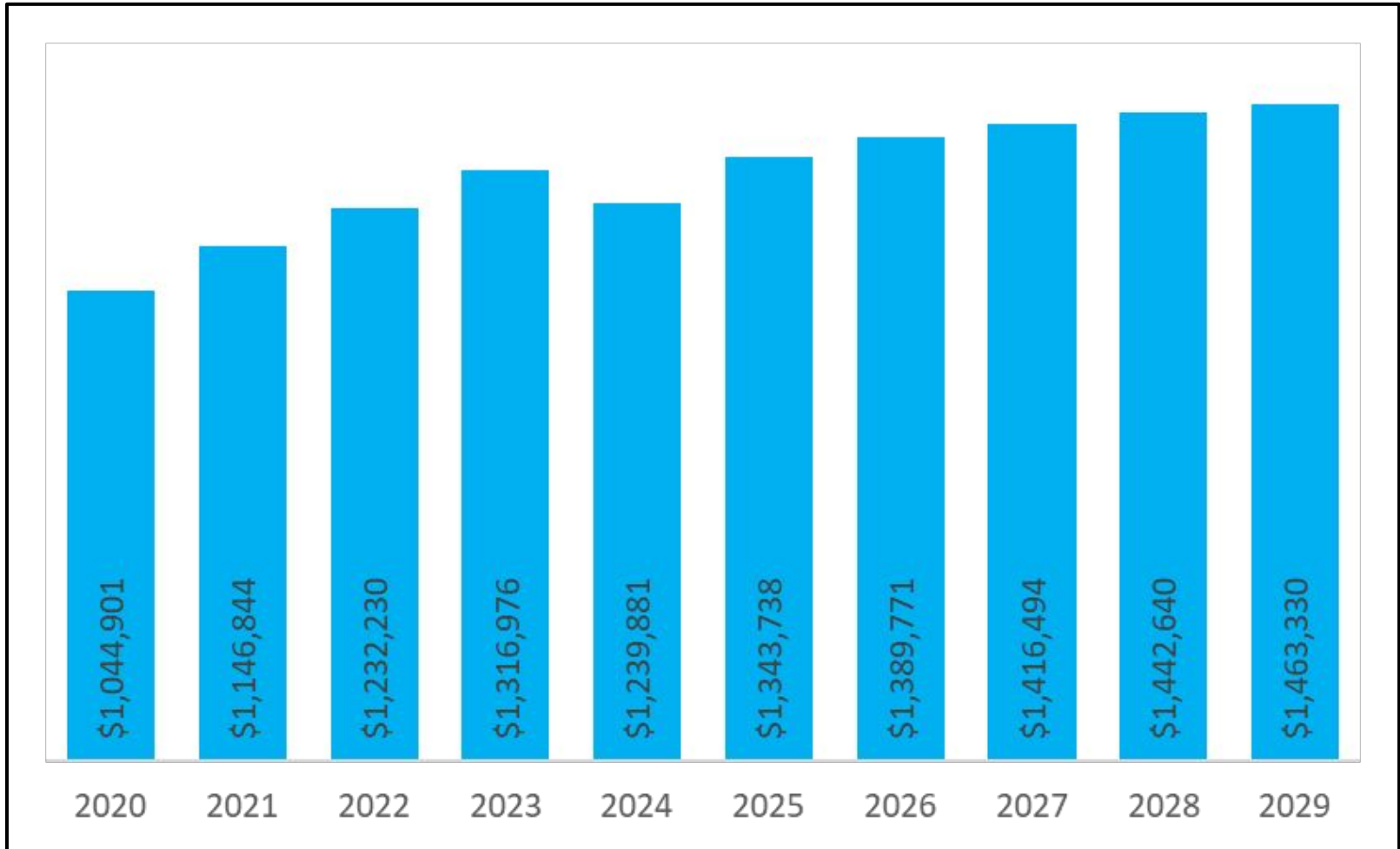
# Strongsville City Schools

## General Fund Debt



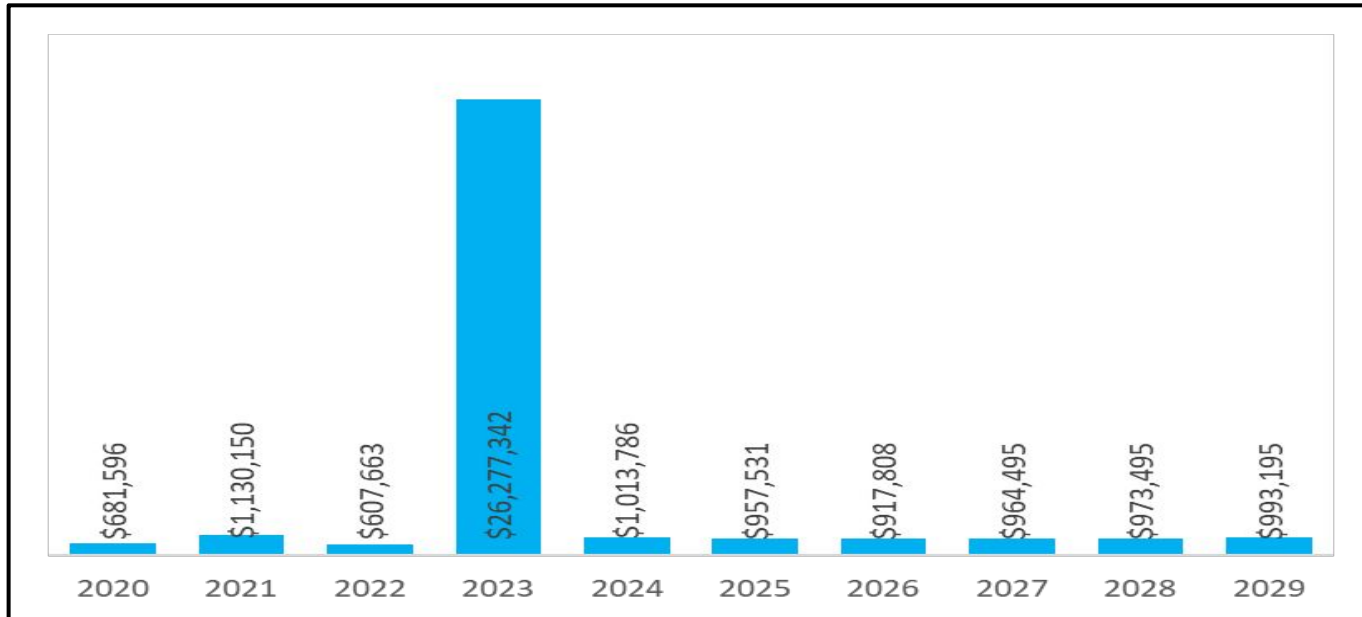
# Strongsville City Schools

## Other Objects



# Strongsville City Schools

## Other Financing Sources (transfers & advance out to other funds)



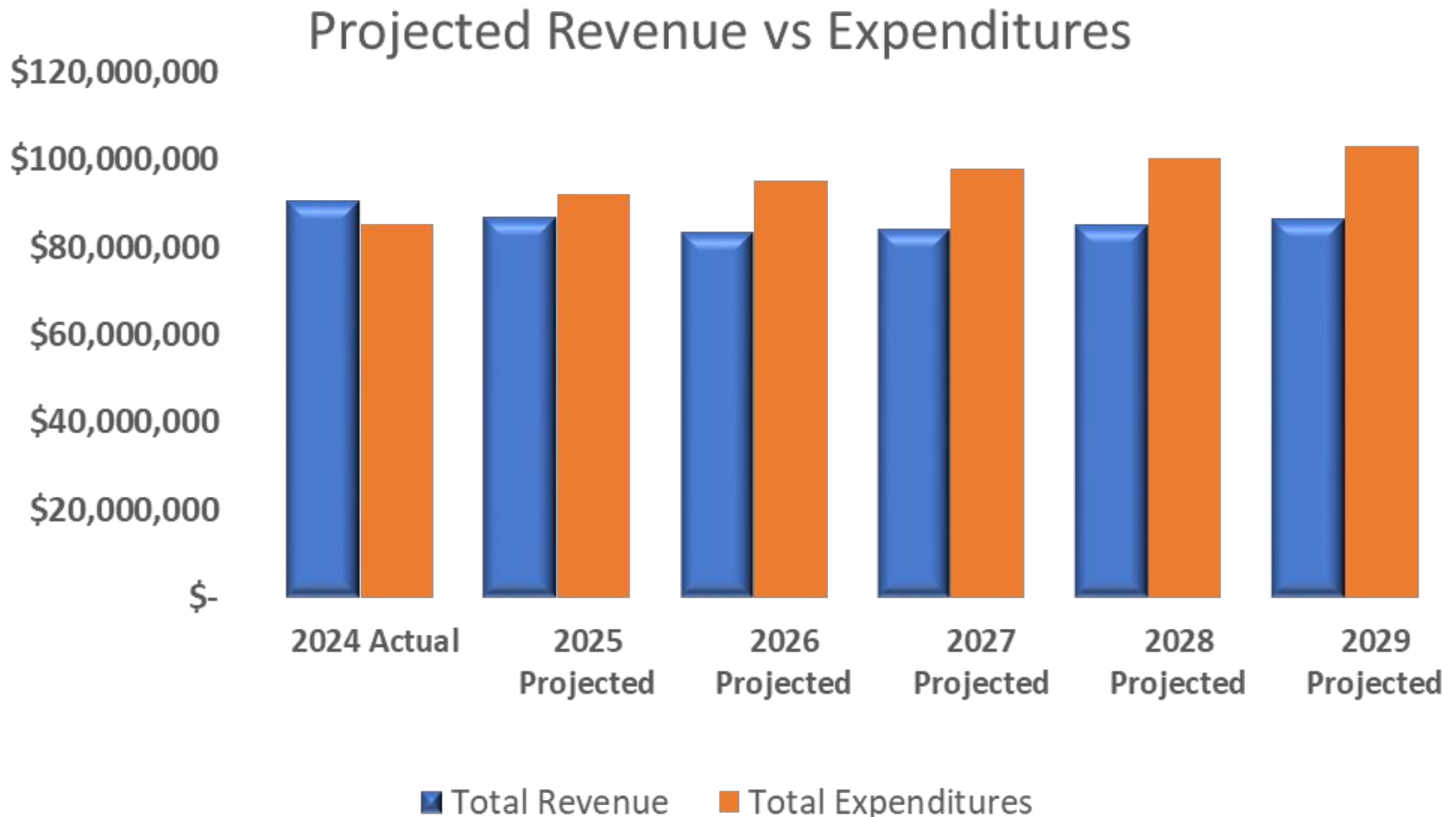
Transfer to:	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Food Service Fund	\$0	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Uniform Schools Supplies	\$52,134	\$62,414	\$0	\$0	\$0	\$0	\$0
Termination Benefits Fund	\$400,051	\$568,507	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Summer School	\$0	\$20,700	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Field Turf Fund	\$55,144	\$54,327	\$53,481	\$52,605	\$35,000	\$35,000	\$35,000
Fund 070 Facilities Fund	\$25,000,000	\$0	\$0	\$0	\$0	\$0	\$0
PI Fund for SHS Track	\$565,562	\$0	\$0	\$0	\$0	\$0	\$0
Athletics	\$6,381	\$135,902	\$199,050	\$160,203	\$224,495	\$233,495	\$253,195

# Strongsville City Schools

- General Fund Summary

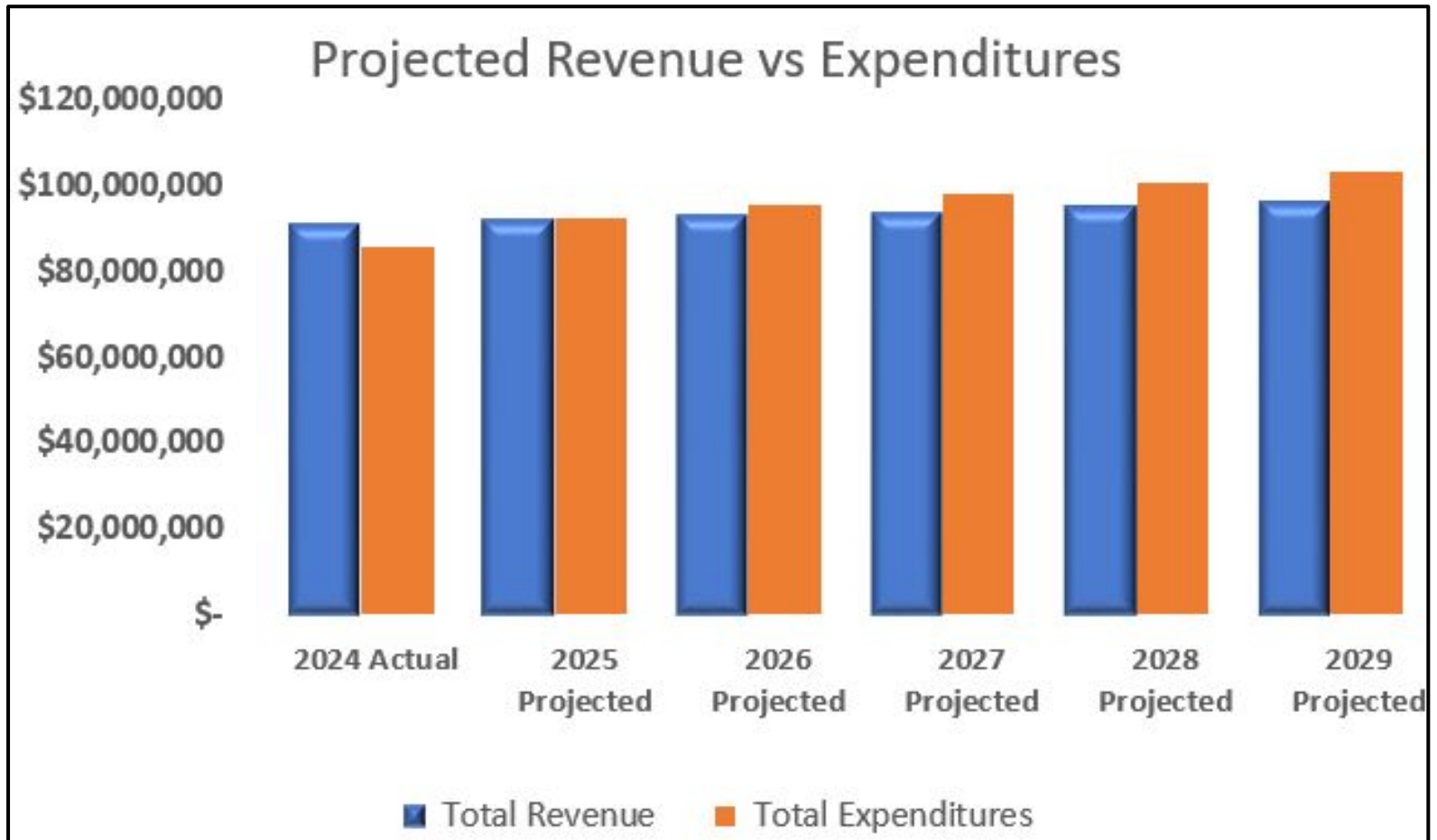
# Strongsville City Schools

## FY 2024-2025 Revenue & Expenditure Projections (with renewal only)



# Strongsville City Schools

## FY 2024-2025 Revenue & Expenditure Projections (with renewal and new levy)





# Strongsville City Schools

## September 2024 Five-Year Forecast (in millions)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Cash Balance	\$53.1	\$62.3	\$46.0	\$51.3	\$46.2	\$34.6	\$21.0	\$1.7
Total Revenues	83.8	88.3	90.6	87.1	83.6	84.1	81.0	77.9
Total Expenditures	74.6	104.6	85.3	92.2	95.2	97.7	100.3	102.9
<i>Revenues over Expenses</i>	<b>9.2</b>	<b>-16.3</b>	<b>5.3</b>	<b>-5.1</b>	<b>-11.6</b>	<b>-13.6</b>	<b>-19.3</b>	<b>-25.0</b>
Ending Cash Balance	62.3	46.0	51.3	46.2	34.6	21.0	1.7	-23.3
Encumbrances	2.0	1.5	1.8	2.0	2.0	2.0	2.0	2.0
Unencumbered Balance	<b>60.3</b>	<b>44.5</b>	<b>49.5</b>	<b>44.2</b>	<b>32.6</b>	<b>19.0</b>	<b>-0.3</b>	<b>-25.3</b>
Property Tax - Renewal	0.0	0.0	0.0	0.0	0.0	0.0	4.2	8.5
Unencumbered Balance	\$60.3	\$44.5	\$49.5	\$44.2	\$32.6	\$19.0	\$3.9	-\$12.6
Property Tax - New	0.0	0.0	0.0	4.6	9.3	9.3	9.4	9.5
Unencumbered Balance	\$60.3	\$44.5	\$49.5	\$48.8	\$46.5	\$42.2	\$36.5	\$29.5

# Strongsville City Schools

## September 2024 Five-Year Forecast (in millions)

### Includes renewal and new levy within revenues

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Beginning Cash Balance	\$53.1	\$62.3	\$46.0	\$51.3	\$50.8	\$48.5	\$44.2	\$38.5
Total Revenues	83.8	88.3	90.6	91.7	92.9	93.4	94.6	95.9
Total Expenditures	74.6	104.6	85.3	92.2	95.2	97.7	100.3	102.9
<i>Revenues over Expenses</i>	<b>9.2</b>	<b>-16.3</b>	<b>5.3</b>	<b>-0.5</b>	<b>-2.3</b>	<b>-4.3</b>	<b>-5.7</b>	<b>-7.0</b>
Ending Cash Balance	62.3	46.0	51.3	50.8	48.5	44.2	38.5	31.5
Encumbrances	2.0	1.5	1.8	2.0	2.0	2.0	2.0	2.0
Unencumbered Balance	\$60.3	\$44.5	\$49.5	\$48.8	\$46.5	\$42.2	\$36.5	\$29.5

# Strongsville City Schools

## FY 2024-2025 Forecast Summary

Strongsville City Schools has maintained an operating surplus since 2011. **As a government entity, our school district is required to operate in the positive.** Operating in a deficit could result in the following declarations by both the Ohio Department of Education and/or the Auditor of State: Fiscal Caution, Fiscal Watch, and/or Fiscal Emergency. To be removed from one of these categories, the school district must demonstrate fiscal stability by eliminating current deficits and avoiding future deficits.

At the close of fiscal year 2024, **the ending cash balance within the general operating fund was \$51.3 million.** During fiscal year 2023, through the work and recommendation of the District's Finance Committee (a group comprised of local community members and business professionals), the Board of Education adopted a new cash balance reserve policy to address minimums and maximums within the general operating fund. During the adoption of the policy, the Board approved a general operating fund transfer of \$25 million to a capital projects fund for future capital projects.

The September 2024 budget five year forecast for the general operating fund for fiscal year 2025 **estimates revenues of \$87.1 million and estimated expenditures of \$92.2 million if the November 4.9 mill levy does not pass.** This equates to estimated revenues **under** estimated expenditures of **\$-5.1 million.** For additional information on these budget details, visit the Treasurer's Department page on our District's website and click on "Financial Reports."

# Strongsville City Schools

## Cash Balance Policy

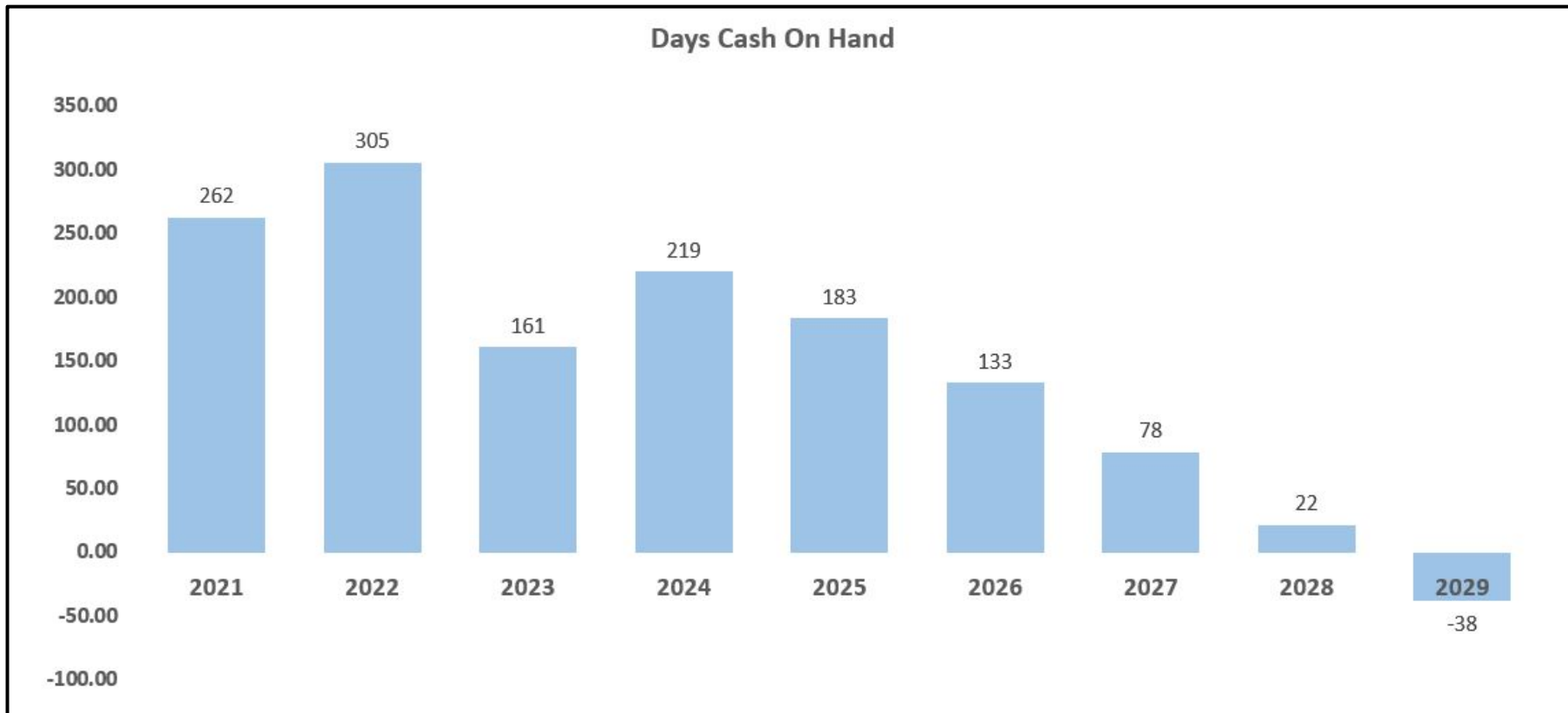
### Cash Balance Policy:

The Board believes that maintaining a cash reserve unencumbered unreserved balance of ninety (90) days of operating expenditures is necessary in the interest of sound fiscal management. The Board affirms that tax levies may be pursued, and/or the District's finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures. Promptly upon receiving an indication that such cash balance may not be achieved within any year of the five (5) year forecast, the Treasurer/CFO shall report such a finding to the Board. Upon such notification by the Treasurer/CFO, the Superintendent and Treasurer/CFO will prepare and propose options that the Board may consider to forestall such an eventuality.

Further, when a General Operating Fund cash balance exceeds 150 days the Superintendent and/or Treasurer/CFO may recommend the funds be transferred to an approved 070 Capital Projects fund for future capital improvements as approved by the Board. The transfer must be approved by the Board and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the rolling five (5) year forecast.

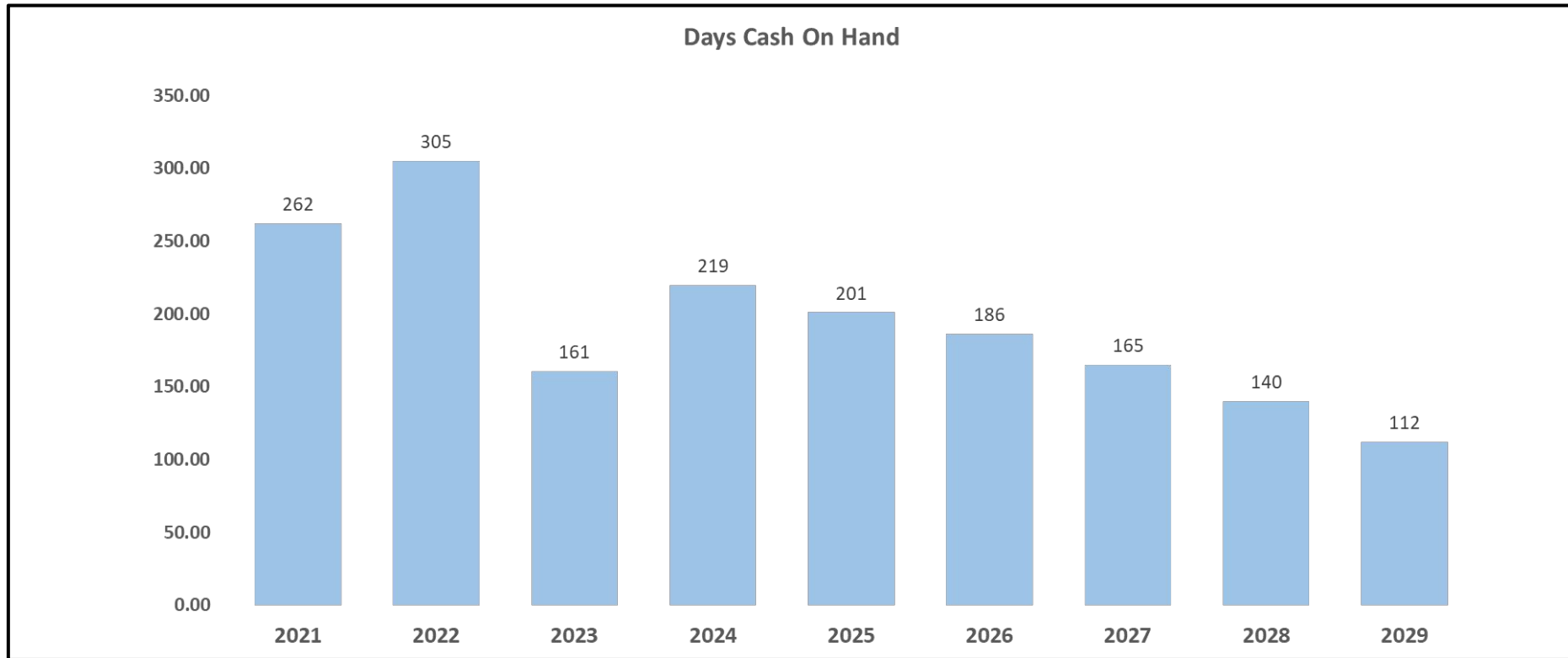
# Strongsville City Schools

## FY 2024-2025 Days Cash on Hand (with renewal only)



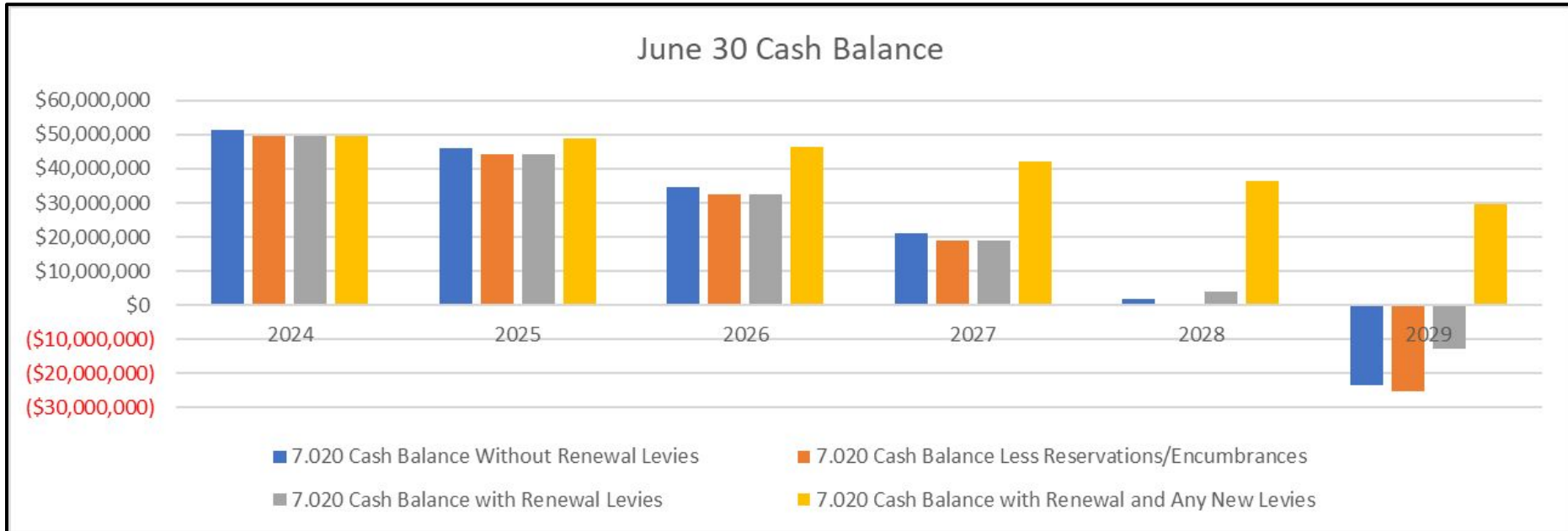
# Strongsville City Schools

**FY 2024-2025 Days Cash on Hand (with renewal and new levy before additional new investments (FDK tuition, P2P fees, reduction of student fees))**



# Strongsville City Schools

## FY 2024-2025 Cash Balances (with vs without renewal and new levy)



# Strongsville City Schools

## Cash Management / Cash Balances

### Necessity of Cash Balances in Ohio:

School officials must plan and monitor district cash flow as they practice responsible stewardship. The District's five year forecast is an informed prediction for how long the revenue/expenses cycle will maintain a healthy cash balance. The revenue of surplus or deficit line within the five year forecast provides a picture of the district's changing financial obligations over time, pointing to the need for a fund balance in preparation for future expenses.

### Reasons why a district may carry a cash balance at the end of the fiscal year:

- **Cash Flow:** Main sources of revenue is property taxes which is received 5 of out the 12 months on the year. Need a cash balance to sustain the low cash periods (December, January, first payroll in February, June, and first payroll in July) to meet liability obligations in those months.
- **Levy cycles:** Since levies are limited to a fixed dollar amount, tax revenues may not keep up with increases in operating costs. Particularly when expenditures typically increase 3-5 percent annually.
- **Expenditure volatility:**
  - **Staffing needs** - Over the past two years, general fund staff increased by 75 positions due increasing enrollment coupled additional support for student needs.
  - **Health care** - Over the past two years, health care cost increased by 15.00% and 3.00%
  - **Non Personnel Expenditures** - cost of goods and services continues to increase.
- **Credit Score / Bond Rating:** Over the past several years, the District's Bond rating has received two credit ratings upgrades from Moody's a Aa3 to **Aa1**. As a result of the increased Bond ratings the District was able to refinance outstanding debt at a lower tax rate which **reduced the District debt obligation by \$19,862,030, a direct savings of \$30 per \$100,000 of valuation to the taxpayers over the life of the debt.**



# Strongsville City Schools

- Questions?