



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the Brunswick City School District,

In consultation with the Ohio Department of Education, the Auditor of State's Ohio Performance Team conducted a performance audit of the District to provide an independent assessment of operations and management. Functional areas selected for review were identified with input from District administrators and were selected due to strategic and financial importance to the District. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall efficiency and effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management.

The District has been encouraged to use the management information and recommendations contained in the performance audit report. However, the District is also encouraged to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report. The Auditor of State has developed additional resources to help Ohio governments share ideas and practical approaches to improve accountability, efficiency, and effectiveness.

SkinnyOhio.org: This website, accessible at <http://www.skinnyohio.org/>, is a resource for smarter streamlined government. Included are links to previous performance audit reports, information on leading practice approaches, news on recent shared services examples, the Shared Services Idea Center, and other useful resources such as the Local Government Toolkit. The Shared Services Idea Center is a searchable database that allows users to quickly sort through shared services examples across the State. The Local Government Toolkit provides templates, checklists, sample agreements, and other resources that will help local governments more efficiently develop and implement their own strategies to achieve more accountable, efficient, and effective government.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State
January 26, 2016

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Executive Summary

Purpose and Scope of the Audit

In consultation with the Ohio Department of Education (ODE), the Auditor of State (AOS) determined that it was appropriate to conduct a performance audit of Brunswick City School District (BCSD or the District) pursuant to Ohio Revised Code § 3316.042. The purpose of this performance audit was to improve BCSD's financial condition through an objective assessment of economy, efficiency, and/or effectiveness of the District's operations and management. See **Background** for a full explanation of the District's financial condition.

The following scope areas were selected for detailed review and analysis in consultation with the District, including financial management, human resources, facilities, transportation, and food service. See **Appendix A: Scope and Objectives** for detailed objectives developed to assess operations and management in each scope area.

Performance Audit Overview

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are commonly referred to as generally accepted government auditing standards (GAGAS).

OPT conducted this performance audit in accordance with GAGAS. These standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

This performance audit provides objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the various divisions internally and externally, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources including; peer comparison, industry standards, leading practices, statutory authority, and applicable policies and procedures.

In consultation with the District, three sets of peer groups were selected for comparisons contained in this report. A primary set of peers was selected for general District-wide comparisons. In addition, peer groups were selected for compensation and bargaining agreement comparisons (i.e., surrounding districts) as well as transportation operation comparison (i.e., transportation peers)s. The following table contains the Ohio school districts included in these peer groups.

Peer Group Definitions

Primary Peers
<ul style="list-style-type: none"> • Fairfield City School District (Butler County) • Jackson Local School District (Stark County) • Milford Exempted Village School District (Clermont County) • Oak Hills Local School District (Hamilton County) • Plain Local School District (Stark County)
Compensation and Bargaining Agreement Peers (Surrounding Districts)
<ul style="list-style-type: none"> • Buckeye Local School District (Medina County) • Medina City School District (Medina County) • North Royalton City School District (Cuyahoga County) • Strongsville City School District (Cuyahoga County)
Transportation Peers
<ul style="list-style-type: none"> • Gahanna-Jefferson City School District (Franklin County) • Oak Hills Local School District (Hamilton County) • Strongsville City School District (Cuyahoga County)

Where reasonable and appropriate, peer districts were used for comparison. However, in some operational areas industry standards or leading practices were used for primary comparison. Sources of industry standards or leading practices used in this audit include: the American Association of School Administrators (AASA), American School and University Magazine (AS&U), the National Center for Education Statistics (NCES), the Ohio Administrative Code (OAC), the Ohio Department of Education (ODE), the Ohio Revised Code (ORC), and the State Employment Relations Board (SERB).

The performance audit involved information sharing with the District, including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the District of key issues impacting selected areas and shared proposed recommendations to improve operations. The District provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the elected officials, management, and employees of the Brunswick City School District for their cooperation and assistance throughout this audit.

Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes a noteworthy accomplishment identified during the course of this audit:

- **Financial Communication:** The District actively disseminates financial information through its website, including Board of Education minutes, appropriations, monthly financial reports, annual financial reports, and five-year forecasts. Additionally, the District has a Financial Advisory Committee, comprised of employees and stakeholders, that meets quarterly to review the District's operating budget and five-year forecast.

Summary of Recommendations

The following table summarizes performance audit recommendations and financial implications, where applicable.

Summary of Recommendations

Recommendations		Savings/(Costs)
R.1	Reduce 4.0 full time equivalent (FTE) general education teacher positions	\$200,100
R.2	Reduce 9.5 FTE educational service personnel (ESP) positions	\$547,600
R.3	Revise salary schedule and implement a salary schedule freeze	\$81,600
R.4	Renegotiate collective bargaining agreement (CBA) provisions	\$35,800
R.5	Reduce health insurance costs	\$816,600
R.6	Reduce 2.0 FTE maintenance positions	\$64,700
R.7	Complete T-2 Forms as prescribed by ODE	N/A
R.8	Procure a computerized maintenance management system for bus maintenance ¹	(\$11,500)
R.9	Reduce the active bus fleet by nine buses	\$296,800
R.10	Increase food service labor efficiency	\$42,000
Cost Savings Adjustments		(\$23,900)
Total Financial Impact from Performance Audit Recommendations		\$2,049,800

Note: Cost savings from **R.5** was adjusted to account for staffing reductions in **R.1**, **R.2**, and **R.6**.

¹ The cost associated with implementing this recommendation is based on the estimated initial purchase price. Thereafter, an estimated annual maintenance cost of \$1,500 is projected.

Table 1 shows the District's ending fund balances as projected in its October 2015 five-year forecast. Included are annual savings identified in this performance audit and the estimated impact that implementation of the recommendations will have on the ending fund balances.

Table 1: Financial Forecast with Performance Audit Recommendations

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Original Ending Fund Balance	\$2,101,391	\$1,722,083	(\$329,995)	(\$5,218,287)	(\$12,916,050)
Cumulative Balance of Performance Audit Recommendations ¹	N/A	\$2,049,800	\$4,109,600	\$6,169,400	\$8,229,200
Revised Ending Fund Balance	\$2,101,391	\$3,771,883	\$3,779,605	\$951,113	(\$4,686,850)

Source: BCSD October 2015 five-year forecast and performance audit recommendations

Note: Although the District could seek to implement recommendations as soon as practicable there may be a reasonable delay in doing so. As a result, cost savings have been applied to FY 2016-17 through FY 2019-20 only.

¹ FY 2016-17 includes the one-time cost of \$11,500 associated with implementing a computerized maintenance management system while subsequent years include only the \$1,500 annual maintenance fee associated with this recommendation.

As shown in **Table 1**, implementing the performance audit recommendations contained in this report could enable the District to delay projected deficits for two years. The District could experience positive ending fund balances in FY 2017-18 and FY 2018-19, pushing a possible year-end deficit to FY 2019-20.

Although implementing the recommendations contained in the report will not entirely eliminate projected deficits, the savings tied to staffing reductions are conservative given that the District is not in fiscal caution, watch or, emergency. If the District is unable to generate additional revenue or identify other savings, it may need to consider general education teacher staffing levels that approach State minimums, ESP staffing levels below the peer average, and custodial staffing levels below the industry benchmark.

Background

Table 2 shows the BCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the District's May 2015 five-year forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of fiscal distress conditions; possibly leading to formal designation by AOS and ODE.

Table 2: BCSD Financial Condition Overview (May 2015)

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Total Revenue	\$66,227,857	\$67,173,659	\$67,640,052	\$66,714,150	\$65,064,575
Total Expenditure	\$67,243,213	\$68,159,435	\$70,387,571	\$72,192,678	\$73,974,626
Results of Operations	(\$1,015,356)	(\$985,776)	(\$2,747,519)	(\$5,478,528)	(\$8,910,051)
Beginning Cash Balance	\$2,199,973	\$1,184,617	\$198,841	(\$2,548,678)	(\$8,027,206)
Ending Cash Balance	\$1,184,617	\$198,841	(\$2,548,678)	(\$8,027,206)	(\$16,937,257)
Outstanding Encumbrances	\$888,192	\$888,192	\$888,192	\$888,192	\$888,192
Ending Fund Balance	\$296,425	(\$689,351)	(\$3,436,870)	(\$8,915,398)	(\$17,825,449)

Source: BCSD and ODE

As shown in **Table 2**, the District's May 2015 five-year forecast projected year-end deficits beginning in FY 2014-15 and continuing for the forecast period. This deficit condition is a direct result of expenditures continuing to outpace revenues, depleting cash balances over the forecast period. In FY 2018-19, the final year of the forecast period, the District projected a deficit of over \$17.8 million. Although BCSD has not been placed in fiscal oversight, AOS, in consultation with ODE, selected the District for a performance audit based on its projected negative 60-day cash reserves, operational expenditures exceeding revenues, and projected deficits.

During the course of the audit, as required by ODE, the District approved an updated five-year forecast in October 2015. **Table 3** shows total revenues, total expenditures, results of operations, beginning and ending cash balances, and year-ending fund balance as projected in the updated forecast.

Table 3: BCSD Financial Condition Overview (October 2015)

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Total Revenue	\$67,456,029	\$67,809,676	\$67,472,143	\$65,920,108	\$64,498,520
Total Expenditure	\$68,452,142	\$68,188,984	\$69,524,221	\$70,808,400	\$72,196,283
Results of Operations	(\$996,113)	(\$379,308)	(\$2,052,078)	(\$4,888,292)	(\$7,697,763)
Beginning Cash Balance	\$4,686,094	\$3,689,981	\$3,310,673	\$1,258,595	(\$3,629,697)
Ending Cash Balance	\$3,689,981	\$3,310,673	\$1,258,595	(\$3,629,697)	(\$11,327,460)
Outstanding Encumbrances	\$1,588,590	\$1,588,590	\$1,588,590	\$1,588,590	\$1,588,590
Ending Fund Balance	\$2,101,391	\$1,722,083	(\$329,995)	(\$5,218,287)	(\$12,916,050)

Source: BCSD and ODE

As shown in **Table 3**, the District has projected an improved financial condition in its October 2015 five-year forecast. Specifically, the new five-year forecast pushes out expected deficits two years, now forecasting positive results of operations in FY 2015-16 and FY 2016-17. The District's improved financial condition is a result of revised State funding projections that increase total revenue by approximately \$1.3 million in FY 2015-16 and approximately \$2.0 million in FY 2016-17. In February 2015, based on preliminary estimates of State funding increases, the District proactively removed a 5.9 mill emergency operating levy from the May 2015 ballot.

ODE uses the Local Tax Effort Index to compare means-adjusted taxpayer support between school districts in Ohio. This index reflects the extent of effort the residents of a school district make in supporting public elementary and secondary education in relation to their ability to pay. A local tax effort of 1.0 represents the statewide average of all school districts. The District's local tax effort was 0.9931 for FY 2014-15 while the peer average was 0.6688, signifying that the District receives 48.5 percent more means-adjusted local taxpayer support than its peers.

Eliminating future deficits can be accomplished by decreasing expenditures, increasing revenue, or a combination of both. Management control over operating decisions can directly affect expenditures. Consequently, the District's management, operations, and resulting expenses were examined by OPT in an effort to identify areas of potential cost savings. If the District's revenue increases, it may be able to address projected deficits without making significant reductions to operations. However, revenue is not directly controlled by school districts, but instead by federal and State laws, regulations, and support from local residents.

Recommendations

R.1 Reduce 4.0 full time equivalent¹ (FTE) general education teacher positions

General education teachers instruct students in a regular classroom environment. Ohio Administrative Code (OAC) 3301-35-05 requires the district-wide ratio of general education teachers to students to be at least 1.0 FTE classroom teacher for every 25 regular students. This category excludes teaching staff in other areas such as gifted, special education, and educational service personnel (ESP).

Table 4 shows a general education staffing comparison based on the District's FY 2014-15 students to teacher ratio. It is important to compare staffing to both the peer average and State minimum requirements to provide a full picture of staffing efficiency.

Table 4: General Education Teacher Staffing Comparison

General Education FTEs					292.0
Regular Student Population					6,474.5
Staffing Ratio (Students: Teacher)					22.2
	Staffing Ratio by Option (Students: Teachers)	Proposed Staffing for Each Option	Difference Above / (Below)	Proposed Reduction for this Option	Annual Savings
Option 1: Peer Average	22.0:1	294.3	(2.3)	N/A	N/A
Option 2: 10% Above State Minimum	22.5:1	287.8	4.2	4.0	\$200,108
Option 3: State Minimum	25.0:1	259.0	33.0	33.0	\$1,767,952

Source: BCSD and ODE

As shown in **Table 4**, the District's general education teacher staffing level is below the peer average, but significantly above the State minimum requirement. The selection of one of the options presented in **Table 4** is ultimately District management's responsibility based on the needs and desires of the stakeholders in its community. Staffing decisions must be balanced, however, with their fiduciary responsibility to adapt to the District's financial realities and maintain a solvent operation. Bringing teacher staffing levels to 10 percent above the State minimum requirements could provide savings to help maintain a solvent operation.

The option to staff at State minimums may be necessary if the deficit projections in the October 2015 five-year forecast are realized, or other recommendations in this report are not fully implemented. While it is not common practice in Ohio to operate at or near State minimum levels, the District may need to make significant staffing reductions to address the deficits in its five-year forecast.

¹ According to the *FY 2014 EMIS Reporting Manual* (ODE, 2014) instructions for reporting staff data, an FTE is defined as the ratio between the amount of time normally required to perform a part-time assignment and the time normally required to perform the same assignment full-time.

Financial Implication: Reducing 4.0 FTE general education teachers could save approximately **\$200,100** in salaries and benefits, annually. This savings was calculated using the lowest full-time general education teacher salaries and an average benefits ratio of 38.8 percent.² Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

R.2 Reduce 9.5 FTE educational service personnel (ESP) positions

ESP positions include K-8 art, music, and physical education teachers, counselors, librarians, nurses, social workers, and visiting teachers. In FY 2014-15, BCSD employed 51.5 FTE ESP staff, which included 11.5 counselors, 11.0 music teachers, 10.0 art teachers, 9.0 physical education teachers, 6.0 nurses, 3.0 librarians, and 1.0 social worker. At the start of FY 2014-15, OAC 3301-35-05 required school districts to employ a minimum of 5.0 FTE ESP for every 1,000 students in the regular student population. Effective April 24, 2015, OAC 3301-35-05 was revised to state, "The local board of education shall be responsible for the scope and type of educational services in the district. The district shall employ educational service personnel to enhance the learning opportunities for all students." This revision eliminated State minimum staffing levels for ESP staffing.

Table 5 shows the District's ESP staffing on a per 1,000 students basis as compared to the peer average for FY 2014-15.

Table 5: ESP Staffing Comparison

	BCSD		Peer Average		Difference
Students Educated ¹	7,110.51		6,903.52		206.99
Students Educated (thousands)	7.11051		6.90352		0.20699
	FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total Above/(Below) ²
ESP Teachers	30.00	4.22	3.50	0.72	5.12
Counselors	11.50	1.62	1.50	0.12	0.85
Librarians/Media Specialists	3.00	0.42	0.17	0.25	1.78
School Nurses	6.00	0.84	0.43	0.41	2.92
Social Workers	1.00	0.14	0.26	(0.12)	(0.85)
Total ESP Above/(Below)					9.82
Proposed ESP Staffing Reduction					9.50

Source: BCSD and ODE

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

² Represents the number of FTEs that, when added or subtracted, would bring the District's number of employees per 1,000 students in line with the peer average. Calculated by multiplying "Difference per 1,000 Students" by Students Educated (thousands)".

As shown in **Table 5**, the District employed more ESP positions than the peer average, signifying that financial efficiency could be gained by bringing its operation more in-line with

² Calculated using the FY 2013-14 personal services expenditures divided by the employee's retirement/insurance benefits expenditures from the May 2015 five-year forecast.

this staffing level. A primary driver of the District's staffing level was that it operated more school buildings than the peers which limits its ability to achieve economies of scale. The District's K-8 art, music, and physical education FTEs on a per building basis were comparable to the peer average FTEs per building. Further, the District's overall staffing for the library and nursing functional areas were comparable to the respective peer averages.

Reductions beyond the peer average are an option for the District if forecasted deficits in its five-year forecast are realized. The selected course of action is ultimately management's responsibility based on the needs and desires of the stakeholders in its community and must be balanced with the fiduciary responsibility to adapt to the District's financial realities and maintain a solvent operation.

Financial Implication: Reducing 9.5 FTE ESP positions could save approximately **\$547,600** in salaries and benefits, annually. This was calculated using the lowest ESP staff salaries and an average benefits ratio of 38.8 percent.³ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

R.3 Revise salary schedule and implement a salary schedule freeze

Table 6 shows a comparison of the District's compensation for classified and certificated staff over the course of a 30 year career to the average of surrounding districts, based on starting wages and step increases in the respective FY 2014-15 salary schedules. Comparing career compensation to other area districts provides a gauge as to the appropriateness of salary levels on a regional basis.

Table 6: Career Compensation Comparison

	BCSD	Peer Average	Difference	Percent Difference
Classified				
Custodian ¹	\$1,231,859	\$1,207,273	\$24,586	2.0%
Clerical ²	\$1,319,448	\$1,211,162	\$108,286	8.9%
Cook	\$465,573	\$433,980	\$31,593	7.3%
Café Helper	\$448,540	\$408,258	\$40,282	9.9%
Bus Driver	\$632,042	\$593,419	\$38,623	6.5%
Certificated (Teachers)				
Bachelor's	\$1,585,103	\$1,708,021	(\$122,918)	(7.2%)
Master's	\$1,928,335	\$2,012,773	(\$84,438)	(4.2%)

Source: BCSD and State Employment Relations Board (SERB)

¹ Based on the second shift custodian salary schedule, which represents 66 percent of total custodial staffing.

² Based on the non-administrative secretary salary schedule, which represents 71 percent of total clerical staffing.

As shown in **Table 6**, the District's career compensation for teachers was lower than the surrounding district average while career compensation for each classified position was higher. The District's high compensation is due to the number of step advances relative to the peers. While BCSD's base hourly rates for each classified position were lower than the surrounding district averages, over the duration of a 30 year career, BCSD employees advance 29 steps in

³ Calculated using the FY 2013-14 personal services expenditures divided by the employee's retirement/insurance benefits expenditures from the May 2015 five-year forecast.

comparison to the surrounding district average of 12. All five positions reach the peer average salary between years 11 and 13 and thereafter exceed the peer average every year.

The District should negotiate new salary schedules for the classified positions in **Table 6**, ensuring they are comparable, yet market competitive and balanced within the District's financial means. Additionally, the District should implement a step freeze for current staff in these positions. Implementing a salary freeze for current staff would yield immediate savings while negotiating new salary schedules would yield long term savings.

Based on the District's five-year forecast, it may need to consider all areas of operations to reduce expenditures. Although teacher salaries were lower than surrounding districts, the District may need to implement a freeze on certificated step increases to help eliminate its deficit.

Financial Implication: Negotiating a step freeze in FY 2016-17 for the classified positions identified in **Table 6** could save approximately **\$81,600** annually.

R.4 Renegotiate collective bargaining agreement (CBA) provisions

The District has negotiated agreements with the Brunswick Education Association (certificated CBA) and the Brunswick Educational Support Professionals Association (classified CBA). Analysis of these CBAs identified the following provisions that exceeded the surrounding district average or Ohio Revised Code (ORC) minimum requirements:

- **Holidays** - The District's classified CBA offers 11 and 12 month employees 13 paid holidays and nine and 10 month employees 12 paid holidays. These levels exceed the surrounding district average of 11 paid holidays for 11 and 12 month employees and 9 paid holidays for nine and 10 month employees. Further, ORC § 3319.087 states 11 and 12 month employees are entitled to a minimum of seven paid holidays, and nine and 10 month employees six paid holidays. Direct savings from reducing the number of holidays could not be quantified, however, a reduction would increase the number of available work hours at no additional cost to the District.
- **Vacation** - The District's classified CBA provides employees with annual vacation accrual whereby they earn 600 vacation days over the course of a 30-year career. This exceeded the surrounding district average of 547 days and the ORC § 3319.084 minimum of 460 days. Providing employees with more vacation days could increase substitute and overtime costs. Direct savings from reducing the vacation schedule could not be quantified, however, a reduction would increase the number of available work hours at no additional cost to the District.
- **Severance Leave Accrual and Payout** - Both of the District's CBAs allow employees to accrue unlimited days of unused sick leave. With the exception of Medina CSD, the surrounding districts do not provide for unlimited accrual of sick leave. Further, ORC § 3319.141 details sick leave accumulation and specifies that unused sick leave shall be cumulative to 120 days. Providing an accrual in excess of State minimum levels represents the potential for increased financial liability when sick leave is paid out to

retiring employees. Additionally, the District's CBAs allow certificated and classified employees to be paid for all accumulated sick leave upon retirement. Specifically, the CBAs allow for payment of 25 percent of the first 160 sick leave days, 100 percent of the next 25 sick leave days, and 25 percent of all remaining sick leave days. In comparison, all of the surrounding districts limit the maximum sick leave days included in the severance payout calculation, averaging maximum sick leave payout of 95 days for certificated employees and 99 days for classified employees. The District's sick leave payout is also higher than required by ORC § 124.39, which allows school employees to be paid for 30 days (25 percent of 120 days) of unused sick leave at retirement. Allowing employees to receive payout in excess of State minimums becomes costly at employee retirement.

Since the District's certificated and classified employees operate under the same severance payment schedule, for conservative purposes the peer average cap of 99 severance days was used to calculate financial savings for both certificated and classified employees. **Table 7** shows the District's historical severance payout data compared to what it would have paid its certificated and classified employees had it been aligned with the peer average cap of 99 days.

Table 7: Severance Payout Comparison

	FY 2011-12	FY 2012-13	FY 2013-14	Total
BCSD Severance Payout	\$682,731	\$597,465	\$428,239	\$1,708,435
Payout Based on Peer Average Accrual Cap	\$650,253	\$550,605	\$399,895	\$1,600,753
Difference	\$32,478	\$46,860	\$28,344	\$107,682
Average Severance Payout Savings				\$35,894

Source: BCSD and SERB

As shown in **Table 7**, the District would have saved an average of approximately \$35,800, annually, using the surrounding district average sick leave cap. Should its financial condition worsen, the District could consider a reduction closer to, or in line with, the ORC minimum of 30 days, which would have saved an average of approximately \$349,700 annually based on historical severance payout data.

Provisions within CBAs that provide benefits beyond what is required or typically offered in other school districts can create unnecessary financial burden on the District and limit management's ability to control costs. Any progress made through negotiations that would make contract provisions more cost effective would be beneficial to the District's financial position.

Financial Implication: Renegotiating the sick leave cap to a level commensurate to the surrounding district average could save approximately **\$35,800** in annual severance payouts, based on data from FY 2011-12 through FY 2013-14.

R.5 Reduce health insurance costs

Prior to making any changes to health insurance, the District should review the Patient Protection and Affordable Care Act to ensure that intended results will be achievable under the legislation.

The District procures health insurance through the Suburban Health Consortium, which provides its member school districts with greater purchasing power while allowing them to maintain control of their own benefit levels. For 2015, the District offered nine different health insurance plans/sections to employees. AOS analyzed the three major plans, which covered 86 percent of enrolled employees, by comparing costs and plan structure to data contained in the 22nd *Annual Report on the Cost of Health Insurance in Ohio's Public Sector* (SERB, 2014). To create this report, SERB surveys public sector entities on various aspects of health insurance, plan design, and costs. In order to allow for more specific comparisons of health insurance benefits, SERB provided AOS with the raw data collected for 2015.

Table 8 shows BCSD's share of the medical premiums compared to the average for school districts within Medina County, derived from 2015 SERB data. This comparison is important as insurance costs are recognized as sensitive to local conditions and, where possible, other local or regional plans provide the most realistic benchmarks for relative price competitiveness.

Table 8: Monthly Board Medical Insurance Cost Comparison

Plan Type	BCSD	SERB ¹	Difference	Percent Difference
Administrative (Plan 400)				
Single	\$604.93	\$492.43	\$112.50	22.8%
Family	\$1,285.52	\$1,172.24	\$113.28	9.7%
Certificated (Plan 403)				
Single	\$608.29	\$492.43	\$115.86	23.5%
Family	\$1,292.66	\$1,172.24	\$120.42	10.3%
Classified (Plan 407)				
Single	\$604.93	\$492.43	\$112.50	22.8%
Family	\$1,285.52	\$1,172.24	\$113.28	9.7%

Source: BCSD and SERB

¹ Reflects the 2015 average monthly Board cost for medical/prescription insurance for school districts in Medina County.

As shown in **Table 8**, the District's 2015 cost for health insurance was significantly higher than the average school district in Medina County for every plan analyzed. Higher insurance costs can be caused by higher overall premium levels, lower employee contributions, or a combination of both. In order to determine the cause of BCSD's comparatively high costs, both of these factors were examined in greater detail.

Table 9 shows the District's employee premiums compared to average premiums for school districts in Medina County for 2015.

Table 9: Monthly Medical Insurance Premium Comparison

Plan Type	BCSD	SERB ¹	Difference	Percent Difference
Administrative (Plan 400)				
Single	\$656.33	\$554.81	\$101.52	18.3%
Family	\$1,394.78	\$1,353.81	\$40.97	3.0%
Certificated (Plan 403)				
Single	\$675.29	\$554.81	\$120.48	21.7%
Family	\$1,437.66	\$1,353.81	\$83.85	6.2%
Classified (Plan 407)				
Single	\$629.93	\$554.81	\$75.12	13.5%
Family	\$1,335.52	\$1,353.81	(\$18.29)	(1.4%)

Source: BCSD and SERB

¹ Reflects the 2015 average monthly medical/prescription premiums for school districts in Medina County.

As shown in **Table 9**, the District's monthly premiums for single medical coverage were higher than the average for school districts within Medina County, while family premiums were higher for the administrative and certificated plans and lower for the classified plan.

There are a number of factors that can significantly impact health insurance costs, with some of the most common factors being plan design (e.g., out-of-pocket maximums, types and extent of coverage, etc.) and cost sharing (i.e., employee and employer cost). Specific to BCSD, high premium costs were driven by higher deductible and in-network co-insurance benefits as compared to SERB 2015 data.

In addition to the county-level comparison, the District's plan coverage was compared to more general State-wide data published in the 22nd *Annual Report on the Cost of Health Insurance in Ohio's Public Sector* (SERB, 2014). This report shows that 67.6 percent of school districts in Ohio had a deductible of \$125 or higher for a single plan, and 68.6 percent had a deductible of \$200 or higher for a family plan. In comparison, the District's plan contained a \$90 deductible for a single plan and \$180 deductible for a family plan for administrative and certificated staff. Classified staff had a deductible of \$95 and \$185 for single and family plans, respectively. Further, BCSD employees do not pay coinsurance for in-network services after meeting the deductible; rather, the District pays 100 percent of the cost for these services. In contrast, SERB reported that 74.9 percent of schools had in-network co-insurance that paid less than 100 percent.

Table 10 shows the District's employee contributions compared to the 2015 average employee contributions for school districts in Medina County. This comparison provides a benchmark to determine if District employees are contributing an appropriate amount relative to other school districts in the region.

Table 10: Employee Contribution Percentage Comparison

Plan Type	BCSD	SERB ¹	Difference
Administrative (Plan 400)			
Single	7.8%	12.7%	(4.9%)
Family	7.8%	12.9%	(5.1%)
Certificated (Plan 403)			
Single	9.9%	12.7%	(2.8%)
Family	10.0%	12.9%	(2.9%)
Classified (Plan 407)			
Single	4.0%	12.7%	(8.7%)
Family	3.7%	12.9%	(9.2%)

Source: BCSD and SERB

¹ Reflects the 2015 average employee premium contribution percentage for school districts in Medina County.

As shown in **Table 10**, the District's administrative, certificated, and classified staff contributed less towards premiums than the average school district in Medina County.

Higher board cost relative to other school districts in the area is a result of higher premiums coupled with lower employee contributions. **Table 11** shows the financial impact associated with BCSD requiring employee contributions commensurate with the SERB average for school districts in Medina County as well as implementing additional cost-control strategies to lower the overall premium costs.

Table 11: Financial Impact of Cost Reduction Strategies

Plan Type	Savings
Premium Reduction	
Administrative (Plan 440)	\$28,428
Certificated (Plan 403)	\$365,119
Classified (Plan 407)	\$36,959
Employee Contribution Increase¹	
Administrative (Plan 440)	\$31,644
Certificated (Plan 403)	\$79,769
Classified (Plan 407)	\$274,757
Total Savings	\$816,676

Source: BCSD and SERB

¹ Employee contribution savings are based on lower premiums in line with the Medina County School District average.

As shown in **Table 11**, increasing employee contributions to 12.7 percent for single plans and 12.9 percent for family plans and applying additional cost-control practices to address the remaining gap in employer premium cost would result in an annual savings of approximately \$816,600.

Financial Implication: The District could save an average of **\$816,600**, annually, by reducing insurance premiums in conjunction with increasing the employee contributions to 12.7 percent and 12.9 percent for single and family plans, respectively.

R.6 Reduce 2.0 FTE maintenance positions

The District's custodians are responsible for cleaning the school buildings while maintenance and grounds personnel provide maintenance for 11 school buildings, the surrounding property, and the athletic fields, as well as perform snow and ice control. Maintenance personnel also perform construction projects and skilled trade work, including electrical, plumbing, and HVAC, which reduces the District's reliance on outside vendors for such work. Site managers at each building complete light maintenance work, minor cleaning, and grounds keeping.

Table 12 shows the District's buildings and grounds staffing for FY 2014-15 compared to industry benchmarks from American School and University Magazine (AS&U) and the National Center for Education Statistics (NCES). It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table 12: Buildings & Grounds Staffing Needs

Grounds Staffing	
Grounds FTEs	2.6
Acreage Maintained	121.5
AS&U Benchmark – Acres per FTE	40.2
Benchmarked Staffing Need	3.0
Grounds FTEs Above/(Below) Benchmark	(0.4)
Custodial Staffing	
Custodial FTEs	31.8
Square Footage Cleaned	983,450
NCES Level 3 Cleaning Benchmark – Median Square Footage per FTE	29,500
Benchmarked Staffing Need	33.3
Custodial FTEs Above/(Below) Benchmark	(1.5)
Maintenance Staffing	
Maintenance FTEs	14.6
Square Footage Maintained	983,450
AS&U Benchmark – Square Footage per FTE	94,872
Benchmarked Staffing Need	10.4
Maintenance FTEs Above/(Below) Benchmark	4.2
Total Buildings and Grounds Staffing	
Total FTEs Employed	49.0
Total Benchmarked Staffing Need	46.7
Total FTEs Above/(Below) Benchmark	2.3

Source: BCSD, AS&U, and NCES

As shown in **Table 12**, the District's total buildings and grounds staffing is above the benchmark with maintenance staffing as the primary driver.

Table 13 shows the net savings from reducing 2.0 FTE maintenance positions and the corresponding impact on purchased services and supplies and materials expenditures if the District contracted out for additional maintenance work.

Table 13: Potential Cost Savings: Maintenance Staff Reduction

	BCSD Expenditures	Projected Expenditures at Peer Average	Difference
Contracted Services	\$205,793	\$353,120	(\$147,327)
Supplies & Materials	\$381,120	\$268,756	\$112,364
2.0 FTE Maintenance Salaries & Benefits	\$99,720	N/A	\$99,720
		Net Savings	\$64,757

Source: BCSD and peer districts

As shown in **Table 13**, reducing maintenance staff and contracting out for additional maintenance services could reduce the District's expenditures approximately \$64,700.

Financial Implication: Reducing 2.0 FTE maintenance positions could save the District approximately **\$64,700** annually. This was calculated based on changes in contracted services and supplies and materials expenditures, the lowest maintenance staff salaries, and an average benefits ratio of 38.8 percent.⁴ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

R.7 Complete T-2 Forms as prescribed by ODE

ODE provides detailed instructions for completing the T-2 Forms, which measure pupil transportation expenditures incurred by districts. In particular, ODE provides guidelines detailing which transportation related expenditures should be included and excluded from the T-2 Forms.

The District reported expenditures for FY 2013-14 transportation operations that were not consistent with ODE T-2 Form instructions. Specifically, District personnel indicated the discrepancy was likely the result of the District including transportation expenditures for non-routine trips when submitting T-2 Form data. An assessment of the District's total fuel expenditures on the FY 2013-14 T-2 Report found that fuel expenditures listed varied from those reported in the District's financial records by 0.1 percent, despite non-routine miles constituting 8.9 percent of total miles traveled. According to ODE T-2 Form instructions, expenditures for non-routine use of school buses, such as summer school, after school events, athletic trips, and educational field trips, should not be included on the T-2 Form.

The District should complete T-2 Forms in accordance with guidance provided by ODE. Failure to accurately report this information could result in incorrect calculations of State pupil transportation payments to the District. Creating and adhering to policies and procedures governing T-2 Form data collection will help to ensure the District's expenditures are accurately reported.

⁴ Calculated using the FY 2013-14 personal services expenditures divided by the employee's retirement/insurance benefits expenditures from the May 2015 five-year forecast.

R.8 Procure a computerized maintenance management system for bus maintenance

The District does not use a computerized maintenance management system (CMMS) for fleet management. Rather, it uses a paper based work order system to track repairs and preventive maintenance for its fleet of 82 buses (active and spares). Bus drivers communicate necessary repairs to the 3.0 FTE mechanics and 1.0 FTE mechanic helper on paper work orders. Additionally, the mechanics use a paper-based system to track and record preventive maintenance. District administrators stated this system was difficult and time consuming to manage. The District's current routing software vendor offers fleet management software that provides preventive maintenance notifications and work order management.

According to the *Preventive Maintenance Manual for Virginia School Buses* (Virginia Department of Education, 2012), a CMMS tracks valuable data and shows trends for each vehicle and the fleet as a whole. This data includes repair costs, total operational costs, historical repairs and expenditures, fuel consumption, and fleet inventory. Furthermore, District administration can use maintenance records to monitor the maintenance program and evaluate its effectiveness.

The District should procure a CMMS for bus maintenance management. Implementing a CMMS would help the District track maintenance costs by vehicle and identify the optimal time to either remove a vehicle from active service or replace it.

Financial Implication: A CMMS compatible with the District's current routing software could cost approximately **\$11,500** to install and **\$1,500**, annually, thereafter for maintenance fees.

R.9 Reduce the active bus fleet by nine buses

In FY 2014-15, the District maintained 67 active buses to transport 4,992 students, 678 of whom live within one mile of their designated school building. Seven active buses were designated for special needs transportation. The majority of the District's buses had a rated capacity of 71 passengers; however, the District maintained only a 54 percent average utilization rate per regular route. Although the District used routing software, some routes had low ridership. In addition, the District transported all students who live one mile or more from their assigned school and all students attending Towslee Elementary School and Visintainer Middle School due to safety concerns, further affecting the utilization of capacity. ORC § 3327.01 requires districts to provide transportation to students in grades K-8 that live two miles or more from their assigned building. Additionally, the District's practice is to assign two students per seat for all grade levels. In contrast, The National Highway Traffic Safety Administration (NHTSA) states it is safe at the elementary level for up to three small students to occupy a seat.

According to *Hidden Savings in Your Bus Budget* (American Association of School Administrators (AASA), 2005), an effective pupil-to-bus ratio should average at least 100 pupils on a double route, two-tier bus system, with actual capacity of 80 percent of the rated capacity of the bus. The District would need to reduce 18 buses from its active regular fleet to achieve the 80 percent benchmark prescribed by the AASA. Given that this reduction would equal 30 percent of the District's regular active fleet and the safety concerns associated with two buildings, the

District should reduce nine active buses. Such a reduction would increase efficiency, thereby reducing transportation operations costs. Further, consolidating bus routes and running a reduced number of active buses will reduce the number of buses the District needs to replace.

Financial Implication: Reducing nine active buses could save approximately **\$296,800** annually, or \$32,988 per active bus. This was calculated based on the lowest bus driver salaries, an average benefits ratio of 38.8 percent,⁵ and bus insurance premiums. Estimated savings could increase if the reduction in staff occurs through retirement or voluntary separation of higher salaried staff.

R.10 Increase food service labor efficiency

The District food service operation's financial performance fluctuated from FY 2011-12 through FY 2013-14. The primary component of food service cost is labor hours, and a common indicator of operational efficiency is the number of meals prepared per labor hour. **Table 14** shows the District's meals per labor hour in each building compared to benchmark data outlined in *School Food and Nutrition Service Management for the 21st Century* (Pannell-Martin and Boettger, 2014). It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table 14: FY 2014-15 Food Service Workload

	Meal Equivalents Served per Day	BCSD Daily Labor Hours	Benchmark Required Daily Labor Hours	Difference
Applewood Elementary School	262	15.0	16.9	(1.9)
Brunswick High School	967	65.0	43.9	21.1
Brunswick Memorial Elementary School	195	15.0	15.0	0.0
Crestview Elementary School	197	12.0	15.2	(3.2)
Edwards Middle School	318	18.0	18.7	(0.7)
Hickory Ridge Elementary School	178	15.0	13.7	1.3
Huntington Elementary School	240	15.0	16.6	(1.6)
Kidder Elementary School	170	15.0	13.1	1.9
Towslee Elementary School	281	15.0	18.2	(3.2)
Visintainer Middle School	298	18.0	19.2	(1.2)
Willetts Middle School	290	18.0	18.7	(0.7)
Total	3,396	221.0	209.2	11.8

Source: BCSD and Pannell-Martin and Boettger

As shown in **Table 14**, the District's daily labor hours exceeded the benchmark by 11.8 labor hours in FY 2014-15 and that seven of the 11 buildings were more efficient than the benchmark. Brunswick High School, however, was significantly below the benchmark (21.1 labor hours) due to the District operating two kitchens at this building in order to accommodate all students. Further, preparing all meals in one kitchen and serving out of both was not an option due to the distance between the two kitchens.

⁵ Calculated using the FY 2013-14 personal services expenditures divided by the employee's retirement/insurance benefits expenditures from the May 2015 five-year forecast.

The District has taken steps to reduce labor costs by filling full-time positions with part-time positions. However, it has not reduced the total hours of the positions nor has it assessed if the total hours could be reduced. Reducing 11 labor hours at the high school would bring District-wide food service staffing in line with the benchmark and leave the high school above the benchmark to account for the two kitchens. In addition, the District could serve breakfast in only one cafeteria.

Financial Implication: Reducing 11 daily labor hours from the food service operation could save the District approximately **\$42,000** in salaries and benefits, annually. This was calculated using the lowest salary for food service staff and an average benefits ratio of 38.8 percent.⁶ Estimated savings could increase if the reduction in hours occurs through retirement or voluntary separation of higher salaried staff.

⁶ Calculated using the FY 2013-14 personal services expenditures divided by the employee's retirement/insurance benefits expenditures from the May 2015 five-year forecast.

Appendix A: Scope and Objectives

Generally accepted government auditing standards require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

In consultation with ODE and the District, OPT identified the following scope areas for detailed review: financial management, human resources, facilities, transportation, and food service. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and/or effectiveness. **Table A-1** illustrates the objectives assessed in this performance audit and references the corresponding recommendation when applicable. Three of the 12 objectives did not yield a recommendation (see **Appendix B** for additional information including comparisons and analyses that did not result in recommendations).

Table A-1: Audit Objectives and Recommendations

Objective	Recommendation
Financial Management	
Is financial communication consistent with leading practices?	N/A
Human Resources	
Is staffing efficient compared to peers and OAC/State minimums, where applicable?	R.1 and R.2
Are salaries consistent with regional peer districts?	R.3
Are collective bargaining agreements consistent with leading practices?	R.4
Are insurance benefits consistent with leading practices?	R.5
Facilities	
Are supplies and materials expenditures consistent with peer averages?	N/A
Is maintenance and operations staffing consistent with leading practices?	R.6
Is school building utilization consistent with leading practices?	N/A
Transportation	
Are T-Form procedures and practices consistent with leading practices?	R.7
Are transportation- related preventive maintenance practices consistent with leading practices?	R.8
Is fleet size and composition consistent with leading practices?	R.9
Food Service	
Is the food service operation in a manner consistent with leading practices?	R.10

Appendix B: Additional Comparisons

Staffing

Table B-1 shows full-time equivalent (FTE) staffing levels per 1,000 students at the District compared to the primary peer district average. The latest available peer data was from FY 2013-14 as reported to ODE through the Education Management Information System (EMIS). Adjustments were made to the District's EMIS data to reflect accurate staffing levels for FY 2014-15.

Table B-1: BCSD Staffing Comparison

	BCSD	Peer Average	Difference		
Students Educated ¹	7,110.51	6,903.52	206.99		
Students Educated (thousands)	7.1105	6.9035	0.2070		
	FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Administrative	28.00	3.94	4.33	(0.39)	(2.77)
Office/Clerical	41.92	5.90	6.22	(0.32)	(2.28)
General Education Teachers	292.00	41.07	40.00	1.07	7.61
All Other Teachers	70.50	9.91	11.47	(1.56)	(11.09)
Educational Service Personnel (ESP)	51.50	7.24	5.86	1.38	9.81
Educational Support	14.40	2.03	2.16	(0.13)	(0.92)
Other Certificated	0.00	0.00	0.90	(0.90)	(6.40)
Non-Certificated Classroom Support	63.27	8.90	10.43	(1.53)	(10.88)
Other Professional and Technical Staff	37.50	5.27	4.77	0.50	3.56

Source: BCSD and ODE

Note: The District's operational staffing, including custodians, maintenance workers, bus drivers, and food service employees are not included in the peer comparison. These areas were assessed based on industry and operational standards.

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

² Represents the number of FTEs that, when added or subtracted, would bring the District's number of employees per 1,000 students in line with the peer average.

As shown in **Table B-1**, District staffing levels were comparable to the peer average in each position category with the exception of general education teachers, educational service personnel (ESP), and all other staff. Assessments of general education teacher and ESP staffing levels are discussed in greater detail in **R.1** and **R.2**, respectively. All other staff includes various therapists whose staffing levels are dictated by OAC 3301-51-09 and by individualized education programs (IEPs). As such, this category was not assessed.

Facility Expenditures

Table B-2 shows the District's FY 2013-14 facilities expenditures per square foot compared to the peer average.

Table B-2: Facilities Expenditures per Square Foot Comparison

	BCSD	Peer Average	Difference	Percent Difference
Salaries and Wages	\$2.55	\$1.98	\$0.57	28.8%
Employee Benefits	\$1.12	\$0.86	\$0.26	30.2%
Purchased Services (Excluding Utilities)	\$0.47	\$0.67	(\$0.20)	(29.9%)
Utilities	\$1.20	\$1.25	(\$0.05)	(4.0%)
Water and Sewage	\$0.19	\$0.14	\$0.05	35.7%
Sub-total Energy	\$1.01	\$1.11	(\$0.10)	(9.0%)
Electric	\$0.79	\$0.81	(\$0.02)	(2.5%)
Gas	\$0.22	\$0.27	(\$0.05)	(18.5%)
Other Energy Sources	\$0.00	\$0.03	(\$0.03)	(100.0%)
Supplies and Materials	\$0.40	\$0.32	\$0.08	25.0%
Capital Outlay	\$0.07	\$0.06	\$0.01	16.7%
Other Objects	\$0.00	\$0.00	\$0.00	0.0%
Total Expenditures per Square Foot	\$5.81	\$5.14	\$0.67	13.0%

Source: BCSD and ODE

As shown in **Table B-2**, the District's overall expenditures per square foot were higher than the peer average. Salaries and wages, employee benefits, and staffing are addressed in **R.3**, **R.5**, and **R.6**. Although higher, the District's supplies and materials expenditures resulted in an assessment not yielding recommendation given the amount and type of work performed by District staff and the District's use of quotes and group purchasing.

Building Capacity and Utilization

Table B-3 shows the District's school building capacity and utilization rates for FY 2014-15.

Table B-3: Building Capacity and Utilization

	Capacity	Head Count	Utilization
Applewood Elementary	550	522	94.9%
Crestview Elementary	450	410	91.1%
Hickory Ridge Elementary	500	469	93.8%
Huntington Elementary	525	443	84.4%
Kidder Elementary	450	431	95.8%
Memorial Elementary	475	426	89.7%
Towslee Elementary	525	518	98.7%
Subtotal Elementary	3,475	3,219	92.6%
Edwards Middle	475	548	115.4%
Visintainer Middle	525	551	105.0%
Willets Middle	575	664	115.5%
Subtotal Middle	1,575	1,763	111.9%
Brunswick High	2,104	2,462	117.0%
District Total	7,154	7,444	104.1%

Source: BCSD and ODE

As shown in **Table B-3**, the District's middle school, high school, and overall building utilization rates were above the calculated capacity in FY 2014-15. Further, the elementary school utilization rate of 92.6 percent is above the 85.0 percent benchmark and does not allow the District to close a building.

Appendix C: Five-Year Forecasts

Chart C-1 shows the District's May 2015 Five-Year Forecast and **Chart C-2** shows the District's October 2015 Five-Year Forecast.

Chart C-1: BCSD May 2015 Five-Year Forecast

Line	Actual			Forecasted				
	2012	2013	2014	2015	2016	2017	2018	2019
1.010 General Property (Real Estate)	32,304,543	32,347,365	32,757,150	32,818,400	33,008,205	31,504,542	30,001,361	27,763,163
1.020 Tangible Personal Property Tax	826,883	890,888	941,812	1,072,365	1,096,319	1,096,319	1,096,319	1,096,319
1.035 Unrestricted Grants-in-Aid	20,592,326	21,159,080	22,793,493	24,561,392	26,230,212	28,197,478	28,761,428	29,336,656
1.040 Restricted Grants-in-Aid	121,743	71,958	26,072	26,350	26,350	26,350	26,350	26,350
1.045 Restricted Federal Grants-in-Aid - SFSF	1,192,410	101,331	109,877	105,000	105,000	105,000	105,000	105,000
1.050 Property Tax Allocation	5,712,927	5,164,122	5,511,346	5,276,706	5,063,070	5,065,860	5,079,189	5,092,584
1.060 All Other Operating Revenue	1,326,192	1,210,354	1,270,737	1,244,503	1,244,503	1,244,503	1,244,503	1,244,503
1.070 Total Revenue	62,077,024	60,945,098	63,410,487	65,104,716	66,773,659	67,240,052	66,314,150	64,664,575
2.050 Advances-In		275,188	879,368	420,800	400,000	400,000	400,000	400,000
2.060 All Other Financial Sources			382	702,341				
2.070 Total Other Financing Sources		275,188	879,750	1,123,141	400,000	400,000	400,000	400,000
2.080 Total Revenues and Other Financing Sources	62,077,024	61,220,286	64,290,237	66,227,857	67,173,659	67,640,052	66,714,150	65,064,575
3.010 Personnel Services	40,932,051	40,520,057	40,684,138	40,667,000	41,850,660	43,069,867	44,325,710	45,619,313
3.020 Employees' Retirement/Insurance Benefits	15,703,415	15,594,447	15,786,286	16,028,705	17,141,043	18,125,157	18,649,113	19,188,771
3.030 Purchased Services	5,045,050	5,020,421	5,265,986	5,952,127	5,100,000	5,100,000	5,100,000	5,100,000
3.040 Supplies and Materials	2,431,464	1,845,904	2,263,616	2,380,380	2,000,000	2,000,000	2,000,000	2,000,000
3.050 Capital Outlay	375,322	216,066	154,735	193,800	150,000	150,000	150,000	150,000
4.055 Debt Service: Principal - Other	55,364	58,050	60,865	63,817	66,912	70,157	73,560	
4.060 Debt Service: Interest and Fiscal Charges	21,764	19,078	16,263	13,311	10,213	6,971	3,568	
4.300 Other Objects	1,149,463	1,095,970	1,133,266	1,216,281	1,240,607	1,265,419	1,290,727	1,316,542
4.500 Total Expenditures	65,713,893	64,369,993	65,365,155	66,515,421	67,559,435	69,787,571	71,592,678	73,374,626
5.010 Operational Transfers - Out			385,000					
5.020 Advances - Out	518,362	672,125	420,800	727,792	600,000	600,000	600,000	600,000
5.040 Total Other Financing Uses	518,362	672,125	805,800	727,792	600,000	600,000	600,000	600,000
5.050 Total Expenditure and Other Financing Uses	66,232,255	65,042,118	66,170,955	67,243,213	68,159,435	70,387,571	72,192,678	73,974,626
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	(4,155,231)	(3,821,832)	(1,880,718)	(1,015,356)	(985,776)	(2,747,519)	(5,478,528)	(8,910,051)
7.010 Beginning Cash Balance	12,057,754	7,902,523	4,080,691	2,199,973	1,184,617	198,841	(2,548,678)	(8,027,206)
7.020 Ending Cash Balance	7,902,523	4,080,691	2,199,973	1,184,617	198,841	(2,548,678)	(8,027,206)	(16,937,257)
8.010 Outstanding Encumbrances	568,686	1,022,226	888,192	888,192	888,192	888,192	888,192	888,192
10.010 Fund Balance June 30 for Certification of Appropriations	7,333,837	3,058,465	1,311,781	296,425	(689,351)	(3,436,870)	(8,915,398)	(17,825,449)
11.020 Property Tax - Renewal or Replacement						1,600,000	3,200,000	5,535,500
11.300 Cumulative Balance of Replacement/Renewal Levies						1,600,000	4,800,000	10,335,500
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	7,333,837	3,058,465	1,311,781	296,425	(689,351)	(1,836,870)	(4,115,398)	(7,489,949)
15.010 Unreserved Fund Balance June 30	7,333,837	3,058,465	1,311,781	296,425	(689,351)	(1,836,870)	(4,115,398)	(7,489,949)

Source: BCSD and ODE

Chart C-2: BCSD October 2015 Five-Year Forecast

Line	Actual			Forecasted				
	2013	2014	2015	2016	2017	2018	2019	2020
1.010 General Property (Real Estate)	32,347,365	32,757,150	32,768,504	33,056,254	31,649,408	30,244,494	28,206,031	26,169,538
1.020 Tangible Personal Property Tax	890,888	941,812	1,032,656	1,096,319	1,096,319	1,096,319	1,096,319	1,096,319
1.035 Unrestricted Grants-in-Aid	21,159,080	22,793,493	25,755,469	26,264,934	28,234,804	28,799,500	29,375,490	29,962,999
1.040 Restricted Grants-in-Aid	71,958	26,072	16,618	16,600	16,600	16,600	16,600	16,600
1.045 Restricted Federal Grants-in-Aid - SFSF	101,331	109,877	85,024	85,000	85,000	85,000	85,000	85,000
1.050 Property Tax Allocation	5,164,122	5,511,346	5,192,461	4,979,994	4,726,663	5,229,348	5,139,786	5,167,182
1.060 All Other Operating Revenue	1,210,354	1,270,737	1,172,265	1,850,882	1,850,882	1,850,882	1,850,882	1,850,882
1.070 Total Revenue	60,945,098	63,410,487	66,022,997	67,349,983	67,659,676	67,322,143	65,770,108	64,348,520
2.050 Advances-In	275,188	879,368	420,800	106,046	150,000	150,000	150,000	150,000
2.060 All Other Financial Sources		382	871,372					
2.070 Total Other Financing Sources	275,188	879,750	1,292,172	106,046	150,000	150,000	150,000	150,000
2.080 Total Revenues and Other Financing Sources	61,220,286	64,290,237	67,315,169	67,456,029	67,809,676	67,472,143	65,920,108	64,498,520
3.010 Personnel Services	40,520,057	40,684,138	40,330,955	40,667,000	41,457,839	42,264,058	43,085,956	43,923,838
3.020 Employees' Retirement/Insurance Benefits	15,594,447	15,786,286	15,995,268	16,775,762	17,209,341	17,558,066	17,913,575	18,276,000
3.030 Purchased Services	5,020,421	5,265,986	5,614,853	7,217,330	5,800,000	5,916,000	6,034,320	6,155,006
3.040 Supplies and Materials	1,845,904	2,263,616	1,859,192	2,342,615	2,300,000	2,346,000	2,392,920	2,440,778
3.050 Capital Outlay	216,066	154,735	59,948	275,566	280,000	280,000	280,000	280,000
4.055 Debt Service: Principal - Other	58,050	60,865	63,817	66,912	70,157	73,560		
4.060 Debt Service: Interest and Fiscal Charges	19,078	16,263	13,311	10,216	6,971	3,568		
4.300 Other Objects	1,095,970	1,133,266	783,919	896,741	914,676	932,969	951,629	970,661
4.500 Total Expenditures	64,369,993	65,365,155	64,721,263	68,252,142	68,038,984	69,374,221	70,658,400	72,046,283
5.010 Operational Transfers - Out		385,000						
5.020 Advances - Out	672,125	420,800	107,787	200,000	150,000	150,000	150,000	150,000
5.040 Total Other Financing Uses	672,125	805,800	107,787	200,000	150,000	150,000	150,000	150,000
5.050 Total Expenditure and Other Financing Uses	65,042,118	66,170,955	64,829,050	68,452,142	68,188,984	69,524,221	70,808,400	72,196,283
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	(3,821,832)	(1,880,718)	2,486,119	(996,113)	(379,308)	(2,052,078)	(4,888,292)	(7,697,763)
7.010 Beginning Cash Balance	7,902,525	4,080,693	2,199,975	4,686,094	3,689,981	3,310,673	1,258,595	(3,629,697)
7.020 Ending Cash Balance	4,080,693	2,199,975	4,686,094	3,689,981	3,310,673	1,258,595	(3,629,697)	(11,327,460)
8.010 Outstanding Encumbrances	1,022,226	888,192	1,588,590	1,588,590	1,588,590	1,588,590	1,588,590	1,588,590
10.010 Fund Balance June 30 for Certification of Appropriations	3,058,467	1,311,783	3,097,504	2,101,391	1,722,083	(329,995)	(5,218,287)	(12,916,050)
11.020 Property Tax - Renewal or Replacement					1,600,000	3,200,000	5,435,500	7,671,000
11.300 Cumulative Balance of Replacement/Renewal Levies					1,600,000	4,800,000	10,235,500	17,906,500
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	3,058,467	1,311,783	3,097,504	2,101,391	3,322,083	4,470,005	5,017,213	4,990,450
15.010 Unreserved Fund Balance June 30	3,058,467	1,311,783	3,097,504	2,101,391	3,322,083	4,470,005	5,017,213	4,990,450

Source: BCSD and ODE

Client Response

The letter that follows is the District's official response to the performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report. When the District disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.

The District was afforded the opportunity to formally respond to the final report with a written letter, but declined the offer to do so.

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Dave Yost • Auditor of State

BRUNSWICK CITY SCHOOL DISTRICT

MEDINA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 26, 2016**