



Dave Yost • Auditor of State

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# Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the Northmont 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  
August 30, 2016

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# Executive Summary

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## 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 the Northmont City School District (NCSD or the District) pursuant to Ohio Revised Code (ORC) § 3316.042. The purpose of this performance audit was to improve NCSD's financial condition through an objective assessment of economy, efficiency, and/or effectiveness of its 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

Performance audits provide 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.

The United States Government Accountability Office develops and promulgates Government Auditing Standards that establish 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 required 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.

## Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of District operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer districts;
- Industry standards;
- Leading practices;

- Statutes; and
- Policies and procedures.

In consultation with the District, three sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with relatively lower per pupil spending and high academic performance. A “Local Peers” set was selected for a comparison of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. Finally, a “Transportation Peers” set was selected for transportation operating and spending comparisons. This peer set was selected specifically for transportation operational comparability and included only those districts with similar area (square mileage) and population density; two significant factors that impact transportation efficiency. **Table 1** shows the Ohio school districts included in these peer groups.

**Table 1: Peer Group Definitions**

<b>Primary Peers</b>
<ul style="list-style-type: none"> <li>• Anthony Wayne Local School District (Lucas County)</li> <li>• Avon Local School District (Lorain County)</li> <li>• Boardman Local School District (Mahoning County)</li> <li>• Cuyahoga Falls City School District (Summit County)</li> <li>• Delaware City School District (Delaware County)</li> <li>• Green Local School District (Summit County)</li> <li>• Jackson Local School District (Stark County)</li> <li>• Loveland City School District (Hamilton County)</li> <li>• Riverside Local School District (Lake County)</li> <li>• Wadsworth City School District (Medina County)</li> </ul>
<b>Local Peers (Compensation)</b>
<ul style="list-style-type: none"> <li>• Huber Heights City School District (Montgomery County)</li> <li>• Mad River Local School District (Montgomery County)</li> <li>• Miamisburg City School District (Montgomery County)</li> <li>• West Carrollton City School District (Montgomery County)</li> </ul>
<b>Transportation Peers</b>
<ul style="list-style-type: none"> <li>• Delaware City School District (Delaware County)</li> <li>• Fairborn City School District (Greene County)</li> <li>• Troy City School District (Miami County)</li> <li>• Jackson Local School District (Stark County)</li> <li>• Springboro Community City School District (Warren County)</li> </ul>

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: American Association of School Administrators (AASA), the Association of Government Accountants (AGA), the Association of School Business Officials International (ASBO), the Government Finance Officers Association (GFOA), the National Association of State Directors or Pupil Transportation Services (NASDPTS), 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 Ohio 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 Northmont City School District for their cooperation and assistance throughout this audit.

### **Noteworthy Accomplishment**

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

- **Fuel Management:** The District solicits annual bids from area vendors to ensure it is receiving the lowest price possible for fuel. Furthermore, NCSD vehicles are fueled using the District-owned tank that is manned by an attendant that logs gallons and vehicles per fill-up and reconciles monthly. No other personnel are permitted to use the fuel dispensers except for the fuel attendant and maintenance personnel. As a result of its fuel purchasing and dispersing operations, the District's fuel expenditures per bus were 17.8 percent lower than the transportation peer average and 35.9 percent lower than the State average in fiscal year (FY) 2014-15.

## Summary of Recommendations

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

**Table 2: Summary of Recommendations**

Recommendations		Annual Savings
<b>R.1</b>	<b>Improve stakeholder access to financial information</b>	N/A
<b>R.2</b>	<b>Develop a comprehensive staffing plan</b>	N/A
<b>R.3</b>	<b>Reduce regular education teachers by 10.5 FTEs</b>	\$702,800
<b>R.4</b>	<b>Reduce professional staff by 5.5 FTEs</b>	\$298,900
<b>R.5</b>	<b>Reduce office/clerical staff by 7.5 FTEs</b>	\$345,900
<b>R.6</b>	<b>Reduce technology staff by 3.5 FTEs</b>	\$233,900
<b>R.7</b>	<b>Decrease employer costs for medical and dental insurance</b>	\$592,300
<b>R.8</b>	<b>Reduce severance payouts</b>	N/A
<b>R.9</b>	<b>Right-size the active bus fleet by eliminating two regular needs buses</b>	\$55,500
<b>R.10</b>	<b>Implement a formal bus replacement program</b>	N/A
<b>Cost Savings Adjustments<sup>1</sup></b>		(\$27,400)
<b>Total Cost Savings from Performance Audit Recommendations</b>		<b>\$2,201,900</b>

<sup>1</sup> FTE reductions identified in **R.3** through **R.6**, and **R.9** would reduce savings identified in **R.7**.

During the course of the audit, the District proactively began to implement some of these recommendations by making the following staff reductions:

- 5.5 FTEs regular teachers;
- 3.0 FTEs Professional staff; and
- 1.0 FTE Office/Clerical staff.

By making these reductions, the District was able to significantly improve its financial position. In order to avoid overstating the effect of performance audit recommendations on the District's revised financial position, savings were reduced commensurate with the identified positions.

**Table 3a** shows the District's ending fund balances, excluding renewal/replacement levies, as projected in the July 2016 five-year forecast (see **Table 6**). Further, **Table 3a** includes the annual savings identified in this performance audit and the estimated impact that implementation of the recommendations will have on both ending fund balances.

**Table 3a: Audit Impact on Financial Forecast w/o Renewal/Replacement Levies**

Without Renewal/Replacement Levies	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Ending Fund Balance without Renewal/Replacement Levies	\$13,095,917	\$13,373,063	\$9,852,859	\$1,433,005	(\$10,495,849)
Cumulative Balance of Performance Audit Recommendations	\$0	\$1,575,400	\$3,150,800	\$4,726,200	\$6,301,600
<b>Final Ending Fund Balance</b>	<b>\$13,095,917</b>	<b>\$14,948,463</b>	<b>\$13,003,659</b>	<b>\$6,159,205</b>	<b>(\$4,194,249)</b>

Source: NCSD, ODE, and performance audit recommendations

Note: Although the District should 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.

As shown in **Table 3a**, without renewal/replacement levies, the District will need to consider additional expenditure reductions as it would still be projected to experience significant negative ending fund balances starting in FY 2019-20.

**Table 3b** shows a similar scenario, but accounts for renewal/replacement levies.<sup>1</sup>

**Table 3b: Audit Impact on Financial Forecast w/ Renewal/Replacement Levies**

<b>With Renewal/Replacement Levies</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Ending Fund Balance with Renewal/Replacement Levies	\$13,095,917	\$13,373,063	\$11,765,209	\$6,832,355	(\$1,629,499)
Cumulative Balance of Performance Audit Recommendations	\$0	\$1,575,400	\$3,150,800	\$4,726,200	\$6,301,600
<b>Revised Ending Fund Balance</b>	<b>\$13,095,917</b>	<b>\$14,948,463</b>	<b>\$14,916,009</b>	<b>\$11,558,555</b>	<b>\$4,672,101</b>

Source: NCSD, ODE, and performance audit recommendations

Note: Although the District should 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.

As shown in **Table 3b**, the combination of fully implementing the performance audit recommendations, along with voter approval of renewal/replacement levies, would allow the District to fully address the deficit projected in the final year of the forecast period.

It is possible that in pursuing the options necessary to balance the budget and achieve fiscal stability the District could face the unintended consequence of reductions in future federal aid, and/or the need to repay federal funds previously received, due to inability to meet federal maintenance of effort (MOE) requirements. Federal funding is designed to supplement local operations within specific program areas such as Title I, Title II, and IDEA Part B. Because this funding is meant to be supplemental, MOE requirements are put into place to ensure that all schools maintain an acceptable level of local spending rather than shifting to an over-reliance on federal funding, also referred to as supplanting.

Federal funds are supplemental to District operations and pursuit of these supplemental funds does not alleviate the obligation to maintain a balanced budget. In exercising the responsibility to maintain a balanced budget, the District will need to critically evaluate the potential impact of planned changes on program expenditures and/or census/enrollment (i.e., the two major inputs used to calculate MOE).

ODE is charged with monitoring school districts' compliance with MOE requirements and is also in a position of working with districts to facilitate seeking a waiver from the US Department of Education, where available within the grant guidelines, when certain conditions are evident.<sup>2</sup> Two such conditions specific to Title I include:

- An exceptional or uncontrollable circumstance such as natural disaster, and

<sup>1</sup> ORC § 5705.412 requires school district appropriations, contracts, and wage increases to be accompanied by a signed certificate certifying that necessary operating revenue is available to not only meet new obligations, but also to maintain all existing personnel and programs through the duration of the fiscal year. Necessary operating revenue includes all existing levies, renewal/replacement of existing levies, and estimates of all other sources of revenue.

<sup>2</sup> It is important to note that IDEA Part B does not have a MOE waiver option.

- A precipitous decline in financial resources (e.g., due to enrollment or loss of tax revenue).

The District should pursue necessary steps to balance, achieve, and maintain long-term fiscal stability, while working with ODE to minimize any unnecessary, unforeseen consequences, including seeking a waiver of MOE requirements, if available.

## Background

On November 20, 2015, the Auditor of State (AOS), in consultation with the Ohio Department of Education (ODE), determined that it was appropriate to conduct a performance audit of NCSD. **Table 4** shows NCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balances as projected in the District's October 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 4: Financial Condition Overview (October 2015)**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Total Revenue	\$52,168,000	\$52,378,000	\$52,378,000	\$52,388,000	\$52,398,000
Total Expenditure	\$55,466,000	\$58,418,000	\$61,754,000	\$65,165,000	\$68,819,000
<b>Results of Operations</b>	<b>(\$3,298,000)</b>	<b>(\$6,040,000)</b>	<b>(\$9,376,000)</b>	<b>(\$12,777,000)</b>	<b>(\$16,421,000)</b>
Beginning Cash Balance	\$11,302,335	\$8,004,335	\$1,964,335	(\$7,411,665)	(\$20,188,665)
<b>Ending Cash Balance</b>	<b>\$8,004,335</b>	<b>\$1,964,335</b>	<b>(\$7,411,665)</b>	<b>(\$20,188,665)</b>	<b>(\$36,609,665)</b>
<b>Outstanding Encumbrances</b>	<b>\$2,380,000</b>	<b>\$2,380,000</b>	<b>\$2,380,000</b>	<b>\$2,380,000</b>	<b>\$2,380,000</b>
<b>Ending Fund Balance without Renewal/Replacement Levies</b>	<b>\$5,624,335</b>	<b>(\$415,665)</b>	<b>(\$9,791,665)</b>	<b>(\$22,568,665)</b>	<b>(\$38,989,665)</b>
<b>Cumulative Balance of Renewal/Replacement Levies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund Balance with Renewal/Replacement Levies</b>	<b>\$5,624,335</b>	<b>(\$415,665)</b>	<b>(\$9,791,665)</b>	<b>(\$22,568,665)</b>	<b>(\$38,989,665)</b>

Source: NCSD and ODE

As shown in **Table 4**, the District projected increasing year end fund balance deficits for four of five years of the forecast period. Increasing year-end deficits were the direct result of projected increasingly negative results of operations; from \$3.3 million in FY 2015-16 to \$16.4 million in FY 2019-20.

In May 2016, NCSD released an updated financial forecast. **Table 5** summarizes this forecast, showing total revenues, total expenditures, results of operations, beginning and ending cash balances, and year-ending fund balances.

**Table 5: NCSD Financial Condition Overview (May 2016)**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Total Revenue	\$52,168,000	\$55,836,146	\$55,498,796	\$53,934,146	\$53,934,146
Total Expenditure	\$55,466,000	\$55,559,000	\$59,019,000	\$62,344,000	\$65,873,000
<b>Results of Operations</b>	<b>(\$3,298,000)</b>	<b>\$277,146</b>	<b>(\$3,520,204)</b>	<b>(\$8,409,854)</b>	<b>(\$11,938,854)</b>
Beginning Cash Balance	\$11,302,335	\$8,004,335	\$8,281,481	\$4,761,277	(\$3,648,577)
<b>Ending Cash Balance</b>	<b>\$8,004,335</b>	<b>\$8,281,481</b>	<b>\$4,761,277</b>	<b>(\$3,648,577)</b>	<b>(\$15,587,431)</b>
<b>Outstanding Encumbrances</b>	<b>\$2,380,000</b>	<b>\$1,200,563</b>	<b>\$1,200,563</b>	<b>\$1,200,563</b>	<b>\$1,200,563</b>
<b>Ending Fund Balance without Renewal/Replacement Levies</b>	<b>\$5,624,335</b>	<b>\$7,080,918</b>	<b>\$3,560,714</b>	<b>(\$4,849,140)</b>	<b>(\$16,787,994)</b>
<b>Cumulative Balance of Renewal/Replacement Levies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,912,350</b>	<b>\$5,389,350</b>	<b>\$8,866,350</b>
<b>Ending Fund Balance with Renewal/Replacement Levies</b>	<b>\$5,624,335</b>	<b>\$7,080,918</b>	<b>\$5,473,064</b>	<b>\$540,210</b>	<b>(\$7,921,644)</b>

Source: NCSD and ODE

As shown in **Table 5**, the District projected a greatly improved financial condition in its May 2016 five-year forecast. Specifically, the District no longer projected any year-end deficits until FY 2018-19. This improved forecasted financial condition is a result of a combination of increased revenues, reclassified revenues, and reduced expenditures. Specifically, revised revenues increased by an average of \$2.4 million annually. In addition, District voters passed an additional 5.9 mil levy in March 2016 with partial collections starting in FY 2016-17 and full collections starting in FY 2017-18. Decreases in expenditures are the result the reduction of 13 positions through attrition, a decrease in the rate of the growth of health care premiums, the use of actual encumbrances rather than estimated. Revenue reclassification included using the Permanent Improvement Fund to pay for site improvement, new technology, and bus purchases rather than using the General Fund as had been previously forecasted.<sup>3</sup>

In July 2016, due to updated financial conditions resulting from the close out of FY 2015-16 and other in-year expenditure reductions, NCSD prepared an unofficial, interim update to the five-year forecast. **Table 6** summarizes this interim forecast, showing total revenues, total expenditures, results of operations, beginning and ending cash balances, and year-ending fund balances.

<sup>3</sup> According to *How to Read a Five-Year Forecast* (ODE, 2011), the only funds required to be included in the forecast are: General (001), Emergency Levy (016), any Bond Retirement (002) activity that would otherwise have gone to the General fund, and Education Jobs (504). In addition the *Uniform School Accounting System* (AOS, 2013), states “The Permanent Improvement fund (003) is a Capital Project fund. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.”

**Table 6: NCSD Financial Condition Overview (July 2016)**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Total Revenue	\$54,438,723	\$55,836,146	\$55,498,796	\$53,934,146	\$53,934,146
Total Expenditure	\$52,067,422	\$55,559,000	\$59,019,000	\$62,344,000	\$65,873,000
<b>Results of Operations</b>	<b>\$2,371,301</b>	<b>\$277,146</b>	<b>(\$3,520,204)</b>	<b>(\$8,409,854)</b>	<b>(\$11,938,854)</b>
Beginning Cash Balance	\$11,302,335	\$13,673,636	\$13,950,782	\$10,430,578	\$2,020,724
<b>Ending Cash Balance</b>	<b>\$13,673,636</b>	<b>\$13,950,782</b>	<b>\$10,430,578</b>	<b>\$2,020,724</b>	<b>(\$9,918,130)</b>
<b>Outstanding Encumbrances</b>	<b>\$577,719</b>	<b>\$577,719</b>	<b>\$577,719</b>	<b>\$577,719</b>	<b>\$577,719</b>
<b>Ending Fund Balance without Renewal/Replacement Levies</b>	<b>\$13,095,917</b>	<b>\$13,373,063</b>	<b>\$9,852,859</b>	<b>\$1,433,005</b>	<b>(\$10,495,849)</b>
<b>Cumulative Balance of Renewal/Replacement Levies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,912,350</b>	<b>\$5,389,350</b>	<b>\$8,866,350</b>
<b>Ending Fund Balance with Renewal/Replacement Levies</b>	<b>\$13,095,917</b>	<b>\$13,373,063</b>	<b>\$11,765,209</b>	<b>\$6,832,355</b>	<b>(\$1,629,499)</b>

Source: NCSD

As shown in **Table 6**, the District continues to project significant improvements to its financial condition. Specifically, the District is no longer projecting any year-end deficits until FY 2019-20. This improved forecasted financial condition is a result of higher than previously forecasted actual revenue in FY 2015-16. Additionally, actual expenditures in FY 2015-16 were lower than previously forecasted. The decreases in expenditures were a result of the reduction of additional positions through attrition including; 6.0 FTE Non-Certificated Support Staff, 2.5 FTE Other Educational staff, and 1.0 FTE Special Education teacher. Finally, as shown in **Table 6**, should District voters renew a 5.9 mil operating levy with collections starting in FY 2017-18, the year-end deficits for FY 2019-20 would be significantly reduced from \$10.5 million to \$1.6 million.

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# Recommendations

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## R.1 Improve stakeholder access to financial information

NCSD reports its five-year forecast to the public on its website. In addition, NCSD sends out a mailer, titled *Northmont Today*, to District residents. However, the District has the opportunity to present other key financial information on its website including; annual financial reports, board meeting minutes, and financial planning documents. By not making all financial information available on its website, the District increases the risk that it will not be able to fully engage with community stakeholders and provide meaningful input based on readily available financial information.

*Content Guidelines for the Citizen-Centric Report* (Association of Government Accountants (AGA), 2010), encourages governments to provide meaningful and understandable information about the financial condition and performance of the government to its citizens in a four-page citizen-centric report. The AGA publication highlights the following content that should appear in this type of report:

- Strategic objectives;
- Performance report on key missions and services;
- Costs for servicing the citizens and how those costs were paid; and
- Challenges moving forward.

In addition, *GFOA Best Practice, Presenting Official Financial Documents on Your Government's Website* (GFOA, 2009) recommends that every government use its website as a primary means of communicating financial information to interested parties. GFOA recognizes the following benefits from having well-maintained and updated information available online:

- Heightened awareness;
- Universal accessibility;
- Increased potential for interaction;
- Enhanced diversity;
- Facilitated analysis;
- Lowered costs;
- Contribution to sustainability; and
- Broadened potential scope.

NCSD should improve access to financial information for stakeholders. Specifically, the District should make its budget, five-year forecast, and other relevant financial information easily accessible to the public. These steps will help to ensure accountability and transparency to stakeholders and the community.



## R.2 Develop a comprehensive staffing plan

The District determines its staffing levels based on student population, educational needs, and available financial resources. However, the District does not have a formal staffing plan. The absence of a formal staffing plan reduces the District's visibility into whether staffing levels are efficient and, as a result, changes to staffing levels are made on a reactionary basis.

According to *Your Next Move: Strategic Workforce Planning in the Public Sector* (Deloitte, 2006), strategic workforce planning "is an ongoing process for defining and anticipating long-term workforce needs." Five key stages in developing a strategic workforce plan are as follows:

- Identify critical workforce segments;
- Establish one source of truth (data consistency);
- Analyze labor supply/demand;
- Identify strategies to mitigate future labor gaps; and
- Embed workforce planning as part of the annual planning process.

Lakota Local School District (Butler County) has a plan that incorporates staffing allocation factors such as State and federal regulation, workload measures, and other leading practices. In general, staffing benchmarks in the plan are calibrated to available General Fund revenues, which assist it in ensuring a balanced budget.

NCSD should develop a staffing plan that effectively communicates staffing strategies and priorities as well as contingency plans. Developing and maintaining an effective plan will allow the District to efficiently allocate its resources and explain or defend its decisions to hire or reduce personnel based on the objective analysis and clear reasoning that a staffing plan offers.

## R.3 Reduce regular education teachers by 10.5 FTEs

**During the course of the performance audit, NCSD reduced regular education teachers by 5.5 FTEs.**

NCSD employed 241.5 FTE<sup>4</sup> regular education teachers for FY 2015-16, including:

- 218.2 FTE general education teachers;
- 17.5 FTE K-8 art, music, and physical education teachers;
- 3.0 FTE gifted and talented teachers; and
- 2.8 FTE career technical programs and career pathways teachers.

**Table 7** compares the District's teaching staff per 1,000 students to the FY 2014-15 primary peer average. It is important to examine staffing levels in relation to student population as the number of students served functions as a workload measure for assessing staffing efficiency. Additionally, comparing staffing levels on a per 1,000 students basis controls for variations in district size.

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<sup>4</sup> According to *ODE EMIS Manual* (ODE, 2015), "Full-time equivalency (FTE) is 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. The number 1.0 represents one full-time assignment. One (1.0) FTE is equal to the number of hours in a regular working day for that position, as defined by the district."

**Table 7: Regular Education Teacher Staffing Comparison**

	NCS D	Primary Peer Avg.	Difference		
Students Educated <sup>1</sup>	5,034	4,565.5	468.5		
Students Educated (thousands)	5.034	4.5655	0.4685		
	NCS D FTEs <sup>2</sup>	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total Above/ (Below) <sup>3</sup>
General Education K-12	218.18	43.34	41.07	2.27	11.43
K-8 Art, Music, & PE Teachers	17.55	3.49	3.62	(0.13)	(0.65)
Gifted and Talented	3.00	0.60	0.33	0.27	1.36
Career-Technical Programs/Career Pathways	2.75	0.55	0.74	(0.19)	(0.96)
LEP Instructional Program	0.00	0.00	0.13	(0.13)	(0.65)
<b>Total teaching positions</b>	<b>241.48</b>	<b>47.98</b>	<b>45.89</b>	<b>2.09</b>	<b>10.53</b>
<b>FTE Adjustment Needed to Equal Primary Peer Average Staff per 1,000 Students</b>					<b>10.53</b>

Source: NCS D and ODE

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

<sup>2</sup> Reflects NCS D staffing data as of March 2016.

<sup>3</sup> 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 primary peer average. Calculated by multiplying "Difference per 1,000 Students" by "Students Educated (thousands)".

As shown in **Table 7**, based on the primary peer average ratio of 45.9 FTEs per 1,000 students, NCS D is overstaffed by nearly 2.1 FTE regular education teaching staff for every 1,000 students. In total, NCS D would need to reduce regular education teaching staffing by 10.5 FTEs to be in line with the primary peer average. Although the exact positions to eliminate should be evaluated in context of programmatic needs and long-term staffing decisions, the two categories that are currently overstaffed include general education and gifted and talented teachers.

**Financial Implication:** Reducing 10.5 FTE regular education teaching positions could save approximately **\$702,800** annually in salaries and benefits. Given that the District has already reduced 5.5 FTEs, an additional reduction of 5.0 FTEs would result in savings of approximately **\$322,700** annually. This savings was calculated using salaries for the least tenured regular education teachers and includes an average cost for benefits of 44.0 percent of salaries.<sup>5</sup> Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-salaried staff.

<sup>5</sup> The salaries and benefits used for savings calculations were taken from FY 2015-16.

## R.4 Reduce professional staff by 5.5 FTEs

During the course of the performance audit, NCS D reduced professional staff by 3.0 FTEs.

NCS D employed 31.29 FTE professional staff for FY 2015-16, including:

- 8.5 FTE library staff positions;
- 12.0 FTE counselors and social workers;
- 6.8 FTE nurse (registered and practical);
- 3.0 FTE psychologists and therapists; and
- 1.0 FTE other professional positions.

**Table 8** compares the District’s professional staff per 1,000 students to the FY 2014-15 primary peer average.

**Table 8: Professional Staffing Comparison**

	NCS D	Primary Peer Avg.	Difference		
Students Educated <sup>1</sup>	5,034	4,565.5	468.5		
Students Educated (thousands)	5.034	4.5655	0.4685		
Professional Staffing Positions	NCS D FTEs <sup>2</sup>	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total Above/ (Below) <sup>3</sup>
Library Staff (Librarians & Aides)	8.50	1.69	1.08	0.61	3.07
Counseling & Social Workers	12.00	2.38	2.09	0.29	1.46
Nursing (Registered & Practical)	6.79	1.35	0.48	0.87	4.38
Psychologists & Therapists	3.00	0.60	1.04	(0.44)	(2.22)
Other Professional Positions	1.00	0.20	0.35	(0.15)	(0.76)
<b>Total professional staff</b>	<b>31.29</b>	<b>6.22</b>	<b>5.04</b>	<b>1.18</b>	<b>5.93</b>
<b>FTE Adjustment Needed to Equal Primary Peer Average Staff per 1,000 Students</b>					<b>5.93</b>

Source: NCS D and ODE

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

<sup>2</sup> Reflects NCS D staffing data as of March 2016

<sup>3</sup> 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 primary peer average. Calculated by multiplying “Difference per 1,000 Students” by “Students Educated (thousands)”.

As shown in **Table 8**, based on the primary peer average ratio of 5.0 FTEs per 1,000 students, NCS D is overstaffed by nearly 1.2 FTE professional staff for every 1,000 students. In total, NCS D would need to reduce professional staffing by 5.5 FTEs to be in line with the primary peer average. Although the exact positions to eliminate should be evaluated in context of programmatic needs and long-term staffing decisions, all categories are currently overstaffed.

**Financial Implication:** Reducing 5.5 FTE professional staff positions could save approximately **\$298,900** annually in salaries and benefits. Given that the District has already reduced 3.0 FTEs, an additional reduction of 2.5 FTEs would result in savings of approximately **\$96,400** annually. This savings was calculated using the salaries for the least tenured professional staff employees

and includes an average cost for benefits of 44.0 percent of salaries. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-salaried staff.

### R.5 Reduce office/clerical staff by 7.5 FTEs

**During the course of the performance audit, NCSD reduced office/clerical staff by 1.0 FTEs.**

NCSD employed 41.6 FTE office/clerical staff for FY 2015-16, including:

- 19.0 FTE office/clerical positions (district-wide); and
- 22.6 FTE office/clerical positions (building).

**Table 9** compares the District's office/clerical staff per 1,000 students to the FY 2014-15 primary peer average.

**Table 9: Office/Clerical Staffing Comparison**

	NCSD	Primary Peer Avg.	Difference		
Students Educated <sup>1</sup>	5,034	4,565.5	468.5		
Students Educated (thousands)	5.034	4.5655	0.4685		
Office/Clerical Staffing Positions	NCSD FTEs <sup>2</sup>	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total Above/ (Below) <sup>3</sup>
Office/Clerical District-Wide	19.00	3.77	2.66	1.11	5.59
Office/Clerical School Building	22.56	4.48	4.09	0.39	1.96
<b>Total Office/Clerical Staff</b>	<b>41.56</b>	<b>8.25</b>	<b>6.75</b>	<b>1.50</b>	<b>7.55</b>
<b>FTE Adjustment Needed to Equal Primary Peer Average Staff per 1,000 Students</b>					<b>7.55</b>

Source: NCSD and ODE

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

<sup>2</sup> Reflects NCSD staffing data as of March 2016

<sup>3</sup> 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 primary peer average. Calculated by multiplying "Difference per 1,000 Students" by "Students Educated (thousands)".

As shown in **Table 9**, based on the primary peer average ratio of 6.8 FTEs per 1,000 students, NCSD is overstaffed by nearly 1.5 FTE office/clerical for every 1,000 students. In total, NCSD would need to reduce office/clerical staffing by 7.5 FTEs to be in line with the primary peer average. Although the exact positions to eliminate should be evaluated in context of programmatic needs and long-term staffing decisions, both categories are currently overstaffed.

**Financial Implication:** Reducing 7.5 FTE office/clerical positions could save approximately **\$345,900** annually in salaries and benefits. Given that the District has already reduced 1.0 FTE, an additional reduction of 6.5 FTEs would result in savings of approximately **\$302,000** annually. This savings was calculated using the FY 2015-16 salaries for the least tenured office/clerical staff employees and includes an average cost for benefits of 44.0 percent of salaries. Estimated

savings could increase if the reduction occurs through retirement or voluntary separation of higher-salaried staff.

### R.6 Reduce technology staff by 3.5 FTEs

NCSD employed 7.0 FTE technology staff for FY 2015-16, including:

- 6.0 FTE computer operators; and
- 1.0 FTE computer programmer.

**Table 10** compares the District's technology staff per 1,000 students to the FY 2014-15 primary peer average.

**Table 10: Technology Staff Comparison**

	NCSD	Primary Peer Avg.	Difference		
Students Educated <sup>1</sup>	5,034	4,565.5	468.5		
Students Educated (thousands)	5.034	4.5655	0.4685		
Technology Staffing Positions	NCSD FTEs <sup>2</sup>	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total Above/ (Below) <sup>3</sup>
Computer Operator	6.00	1.19	0.18	1.01	5.08
Computer Programmer	1.00	0.20	0.07	0.13	0.65
Other Technical Positions	0.00	0.00	0.43	(0.43)	(2.16)
<b>Total Technology staff</b>	<b>7.00</b>	<b>1.39</b>	<b>0.68</b>	<b>0.71</b>	<b>3.57</b>
<b>FTE Adjustment Needed to Equal Primary Peer Average Staff per 1,000 Students</b>					<b>3.57</b>

Source: NCSD and ODE

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

<sup>2</sup> Reflects NCSD staffing data as of March 2016

<sup>3</sup> 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 primary peer average. Calculated by multiplying "Difference per 1,000 Students" by "Students Educated (thousands)".

As shown in **Table 10**, based on the primary peer average ratio of 1.4 FTEs per 1,000 students, NCSD is overstaffed by nearly 0.7 FTE technology staff for every 1,000 students. In total, NCSD would need to reduce technology staffing by 3.5 FTEs to be in line with the primary peer average. Although the exact positions to eliminate should be evaluated in context of programmatic needs and long-term staffing decisions, the two categories that are currently overstaffed include computer operators and computer programmers.

**Financial Implication:** Reducing 3.5 FTE technology staff positions could save approximately **\$233,900** annually in salaries and benefits. This savings was calculated using the salaries for the least tenured technology staff and includes an average cost for benefits of 44.0 percent of salaries. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-salaried staff.

## R.7 Decrease employer costs for medical and dental insurance

**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 offers medical and dental insurance to its employees as part of a comprehensive insurance/fringe benefits package that is collectively bargained.<sup>6</sup> NCS D purchases medical and dental insurance through the Southwestern Ohio Educational Purchasing Council.

The Ohio State Employment Relations Board (SERB) surveys public sector entities concerning medical and dental insurance costs and publishes this information annually. **Table 11** shows NCS D's employer medical and dental costs compared to the 2015 Montgomery County government average (Montgomery County average) from SERB. This analysis provides a baseline comparison of the cost of NCS D insurance, which is reflective of plan design and claims history.

**Table 11: Employer Medical and Dental Cost Comparison**

	NCS D	Montgomery County Avg.	Difference	Number of Plans	Annual Savings
Annual Medical Single <sup>1</sup>	\$6,399.84	\$6,633.72	(\$233.88)	144	(\$33,678.72)
Annual Medical Family <sup>2</sup>	\$17,402.27	\$16,033.44	\$1,368.83	418	\$572,170.94
Annual Dental Single	\$356.16	\$319.80	\$36.36	140	\$5,090.40
Annual Dental Family	\$900.96	\$865.56	\$35.40	426	\$15,080.40
<b>Total Savings</b>					<b>\$592,341.74</b>

Source: NCS D and SERB

<sup>1</sup> The District's annual medical single premium is below the county average. However, this does not negate the potential savings achieved by acquiring a lower premium price for the other plans.

<sup>2</sup> The District offers two family oriented health insurance plans; one is a traditional family plan (i.e., including spouse and children), the other is a single employee with children plan. The cost of the plan was calculated by using a weighted average based on the number of employees in each plan.

As shown in **Table 11**, the District incurred insurance costs approximately \$592,300 higher than the Montgomery County government average for medical and dental plans as a result of the plan price and number of employees. Higher board cost relative to other government entities in Montgomery County is a result of lower employee contributions for family plans and higher premiums due to a more generous schedule of benefits.

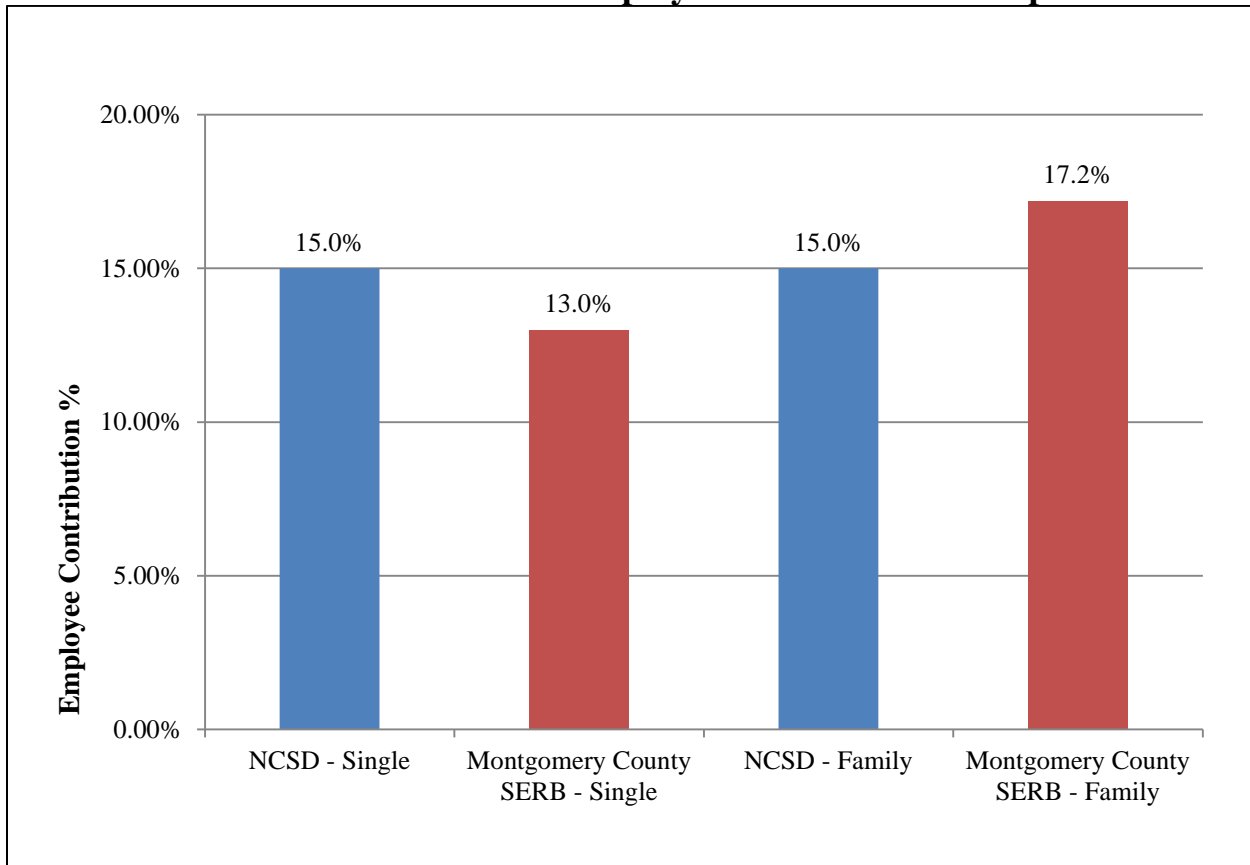
<sup>6</sup> NCS D currently has two collective bargaining agreements; one for certificated staff (Northmont District Education Association) and one for the classified staff (Northmont Classified Employees Association). Both collective bargaining agreements are effective through June 30, 2016. Furthermore, there is a Health Insurance Committee consisting of 12 members, nine appointees of the unions and three non-union members. The committee reports to the Superintendent and the President of the Northmont District Education Association.

*Medical Insurance Detailed Analysis*

As previously noted, high employer cost for insurance is typically attributable to two primary factors; low employee contributions and/or a more generous schedule of benefits.

**Chart 1** shows the employee health insurance contribution percentages for FY 2014-15, as well as the SERB Montgomery county average health insurance contribution. This comparison provides a benchmark to determine if District employees are contributing an appropriate amount relative to the average of other governments in Montgomery County.

**Chart 1: Medical Insurance Employee Contribution Comparison**



Source: NCS D and SERB

As shown in **Chart 1**, while employees on the single plan contribute more than the Montgomery County average, employees on the Family plan contribute less than the Montgomery County average; 15.0 percent or 2.2 percent less than 17.2 percent.

**Table 12** shows potential financial impact of bringing the District's employee contribution levels for medical insurance in line with the Montgomery County average.

**Table 12: Annual Employee Family Medical Contribution Comparison**

Plan Type	NCS D	Montgomery County Avg.	Difference	Number of Plans	Annual Savings
Single	\$1,129.44	\$989.76	\$139.68	144	N/A
Family Avg. <sup>1</sup>	\$3,071.06	\$3,339.12	(\$268.06)	418	\$112,049.08
<b>Total Annual Savings</b>					<b>\$112,049.08</b>

Source: NCS D and SERB

<sup>1</sup> The District offers two family oriented health insurance plans; one is a traditional family plan (i.e., including spouse and children), the other is a single employee with children plan. The cost of the plan was calculated by using a weighted average based on the number of employees in each plan.

As shown in **Table 12**, if the District were to increase employee contributions for family plan health insurance to equal the Montgomery County average it would save \$112,050 annually. However, even with an increase in employee contribution percentage the District would still pay \$480,293 more than the Montgomery County average. This suggests that plan design is also a significant cost factor for the District.

**Table 13** shows the District's FY 2014-15 health insurance plan design and coverage levels in comparison to the Montgomery County average. Closer examination of the differences in plan design and level of coverage will help the District to more effectively identify and address specific health insurance cost drivers.

**Table 13: Health Insurance Plan Benefits Comparison**

	NCS D	Montgomery County Avg.	Difference	% Difference
<b>Coinsurance – Board Share</b>				
Coinsurance	100%	91.7%	8.3%	9.1%
<b>Deductible</b>				
Single	\$0.00	\$216.67	(\$216.67)	(100.0%)
Family	\$0.00	\$450.00	(\$450.00)	(100.0%)
<b>Out-of-Pocket Maximum</b>				
Single	\$750.00	\$1,000.00	(\$250.00)	(25.0%)
Family	\$1,500.00	\$2,033.33	(\$533.33)	(26.2%)

Source: NCS D and SERB

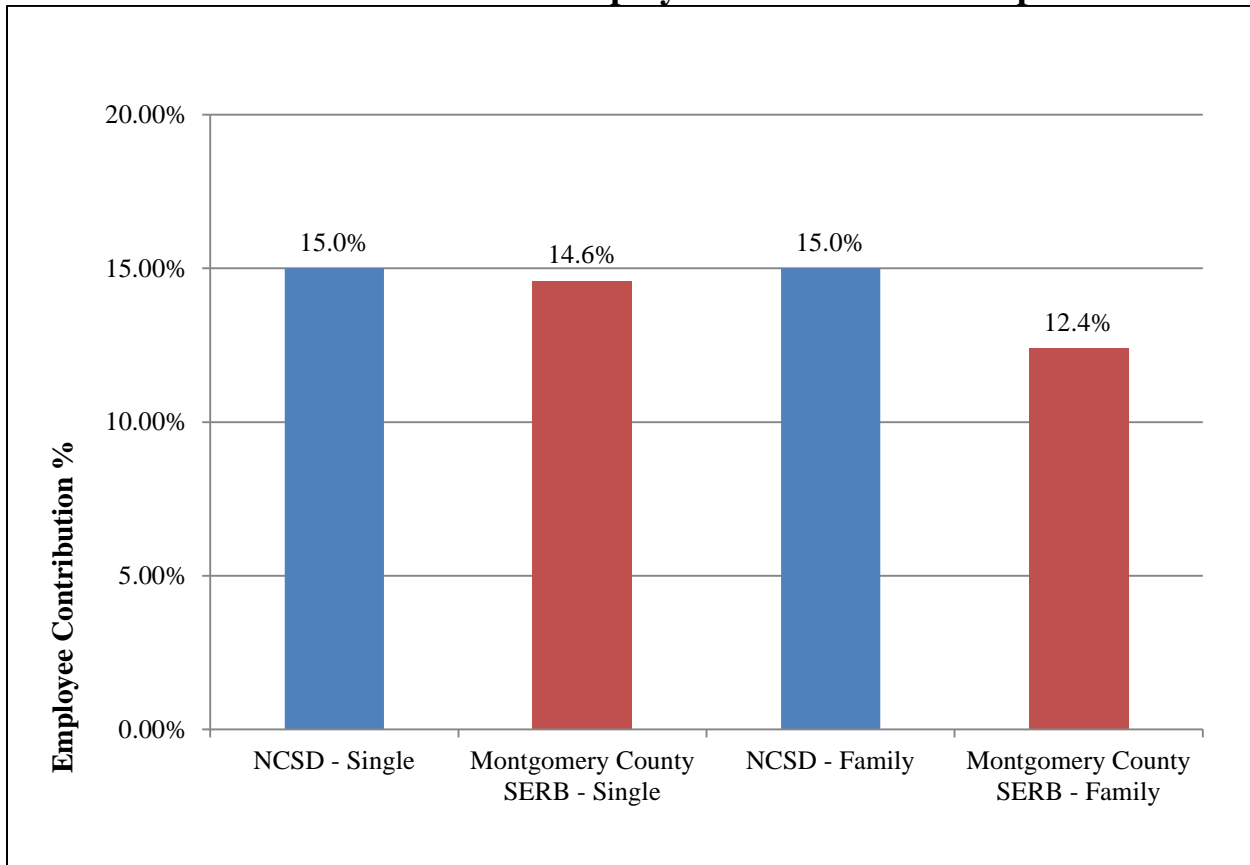
As shown in **Table 13**, the District's coverage for coinsurance, deductibles, and out-of-pocket maximums all substantially exceeded the Montgomery County averages.



Dental Insurance Detailed Analysis

**Chart 2** shows the distribution of employee dental insurance contribution percentages for FY 2014-15, as well as the Montgomery County average dental insurance contribution.

**Chart 2: Dental Insurance Employee Contribution Comparison**



Source: NCS and SERB

As shown in **Chart 2**, employees on both the Single and Family plans, both at 15.0 percent, currently contribute more than the SERB Summit County averages of 14.6 and 12.4 percent, respectively. However, as shown in **Table 11** the District’s employer cost for dental insurance was \$20,171 higher than the Montgomery County average, in total. This suggests that plan design is the primary factor leading to higher cost factor for the District.

**Table 14** shows the District’s FY 2014-15 dental insurance plan design and coverage levels in comparison to the Montgomery County average. Closer examination of the differences in plan design and level of coverage will help the District to more effectively identify and address specific dental insurance cost drivers.

**Table 14: Dental Insurance Plan Benefits Comparison**

	NCS D	Montgomery County Avg.	Difference	% Difference
<b>Coinsurance – Board Share</b>				
Diagnostic and Preventive Services	100.0%	100.0%	0.0%	0.0%
Oral Surgery Services	80.0%	80.0%	0.0%	0.0%
Major Restorative Services	80.0%	53.3%	26.7%	50.1%
Orthodontic Services	60.0%	56.7%	3.3%	5.8%
<b>Deductible</b>				
Single	\$25.00	\$25.00	\$0.00	0.0%
Family	\$50.00	\$55.00	(\$5.00)	(9.1%)
<b>Annual Maximum Benefit</b>				
Annual Maximum Benefit	\$1,500	\$1,375	\$125.00	9.1%

Source: NCS D and SERB

As shown in **Table 14**, the District’s coverage for major restorative and orthodontic coinsurance, as well as the annual maximum benefit, was more generous than the respective Montgomery County averages.

**Financial Implication:** Aligning the employer cost for health and dental insurance with the Montgomery County average could save approximately **\$592,300** annually, based on FY 2014-15 insurance plan data.

### **R.8 Reduce severance payouts**

ORC § 124.39(B) sets minimum levels of employee severance stating “an employee of a political subdivision...with 10 or more years of service...is to be paid one-fourth the value for any accrued but unused sick leave credit, up to a maximum of 30 days.” In contrast, NCS D’s certificated collective bargaining agreement (CBA) stipulates that employees can accumulate up to 264 days of sick leave and that severance payments shall be 25 percent of the accumulated days not exceeding 62 days. Further, the District’s classified CBA stipulates that employees can accumulate up to 249 days of sick leave and that severance payments shall be one third of the accumulated days not to exceed 186 days, a maximum of 62 days paid.

**Table 15** shows the financial impact of bringing CBA provisions for sick leave payout in line with ORC minimums.

**Table 15: Difference between ORC and NCSD for Severance Liability**

Certificated Staff					
Date	Years of Service <sup>1</sup>	Qualified Employees <sup>2</sup>	Current	ORC Min. <sup>3</sup>	Difference
7/1/2016	31	2	\$53,323	\$25,801	\$27,522
7/1/2017	31	0	-	-	-
7/1/2018	32	0	-	-	-
7/1/2019	32	2	\$53,323	\$25,801	\$27,522
7/1/2021	33	0	-	-	-
7/1/2023	34	1	\$23,983	\$11,604	\$12,379
7/1/2026	35	5	\$126,655	\$61,285	\$65,370
<b>Certificated Total</b>					<b>\$132,793</b>
Classified Staff					
Date	Years of Service <sup>1</sup>	Qualified Employees <sup>2</sup>	Current	ORC Min. <sup>3</sup>	Difference
7/1/2016	30	9	\$87,983	\$42,572	\$45,411
7/1/2017	30	1	\$10,098	\$4,886	\$5,212
7/1/2018	30	3	\$26,461	\$12,803	\$13,658
7/1/2019	30	1	\$9,642	\$4,665	\$4,977
7/1/2021	30	4	\$30,224	\$14,624	\$15,600
7/1/2023	30	7	\$56,888	\$27,526	\$29,362
7/1/2026	30	2	\$15,050	\$7,282	\$7,768
<b>Classified Total</b>					<b>\$121,988</b>
<b>District Total</b>					<b>\$254,781</b>

Source: NCSD and ORC

<sup>1</sup> Years of service required to receive full retirement benefits. Certificated staff years of service requirements will increase from 31 years in FY 2016-17 to 35 years in FY 2026-27.

<sup>2</sup> Projected counts of employees that will be eligible for retirement each year based on FY 2015-16 years of service.

<sup>3</sup> Represents cost of severance at the ORC minimum requirement.

As shown in **Table 15**, over the next ten years, the District will have 10 certificated and 27 classified employees that will be eligible for full retirement. Reducing sick leave payouts to match ORC § 124.39(B) will reduce the District's total severance liability by \$254,781 over this timeframe.

## R.9 Right-size the active bus fleet by eliminating two regular needs buses

In FY 2014-15, NCSD transported 2,531 regular needs riders with its regular needs fleet of 37 active buses. In attempting to maximize the efficient utilization of its buses, NCSD has employed routing software, cluster stops, multi-tiered routing, and staggered bell schedules.

Examining the District's ridership per bus in relation to capacity is important in determining the potential for the District to transport its students with fewer buses. Bus capacity takes into account bus size, the number of regular riders, and number of routes per bus. According to *School Bus Seat Capacity* (National Association of State Directors of Pupil Transportation Services (NASDPTS), 1999), the capacity of a school bus is determined by the number of seats on a bus and the number of students per seat. NASDPTS states that a bus seat may hold a maximum of three pre-school and/or elementary students, or a maximum of two middle and high school students. The number of bus routes is also taken into consideration when determining the final capacity.

**Table 16** shows a comparison of NCSD's regular needs active bus fleet for FY 2014-15 in comparison to benchmark bus capacity benchmarks of 80.0 percent published in *Hidden Savings in Your Bus Budget* (American Association of School Administrators (AASA), 2006).

**Table 16: Regular Needs Ridership Comparisons**

<b>Regular Needs Fleet Utilization</b>	
Total Buses	37
Regular Riders	2,531
Regular Riders per Bus	68.4
AASA 80% Benchmark Capacity per Bus <sup>1</sup>	84.0
Number of Buses Needed Based on Benchmark <sup>2</sup>	30.1
<b>Buses Over/(Under) Benchmark</b>	<b>6.9</b>
<b>Regular Needs Fleet Utilization Excluding Low Capacity Routes</b>	
Total Buses	27
Regular Riders	2,013
Regular Riders per Bus	74.55
AASA 80% Benchmark Capacity per Bus <sup>1</sup>	83.2
Number of Buses Needed Based on Benchmark <sup>2</sup>	24.2
<b>Buses Over/(Under) Benchmark</b>	<b>2.8</b>

Source: NCSD, ODE, NASDPTS, and AASA

<sup>1</sup> This number is based on the manufacturer rated capacities of all buses multiplied by the total of all routes (elementary and middle/high school), divided by the total number of buses multiplied by 80 percent.

<sup>2</sup> Capacity is based on elementary and high school students plus the number of routes.

As shown in **Table 16**, initial examination of the entire regular needs fleet identified a significant number of underutilized buses. However, a portion of these underutilized buses were found to be attributable to expected low-utilization routes such as those used for rural routes, private schools, and transporting non-traditional students in addition to regular students. Although the District should seek to improve the efficiency of these routes, these buses were removed from the second analysis as not all factors necessary to increase efficiency are readily controllable.

Further assessment of utilization identified that the District operated the regular needs fleet with two more buses than necessary. By transporting more students per bus, a district can reduce the number of buses it uses and the costs associated with operating those buses.

**Table 17** shows annual savings achievable from the reduction of two buses based on FY 2014-15 data.

**Table 17: Bus Reduction Cost Savings**

Driver Salaries	\$5,373
Retirement Contribution	\$6,675
Worker's Compensation	\$1,038
Employee Insurance	\$13,244
Bus Insurance	\$1,444
<b>Saving per Bus</b>	<b>\$27,774</b>
Number of Buses to be Reduced	2
<b>Total Annual Savings</b>	<b>\$55,548</b>

Source: NCSD

As shown in **Table 17**, the cost savings gained from reducing two buses would be \$55,548.

The District should continue to right-size its active bus fleet by reviewing bus utilization, monitoring its ridership levels, and altering its routes in a manner that coincides with changes in ridership on a regular basis. Choosing a bus route(s) to eliminate is a sensitive matter that may require input from multiple stakeholders in order to ensure that the need to be fiscally responsible is coupled with the need to be responsive to community needs.

**Financial Implication:** The reduction of two regular needs buses could save approximately **\$55,500** annually based on FY 2014-15 data. This savings is calculated using the least tenured bus driver salaries and includes actual benefits for these positions as well as the cost of bus insurance. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

## R.10 Implement a formal bus replacement program

District management makes decisions about bus replacement on a year-to-year basis based on need and available resources. However, there is no formal bus replacement plan. Without a formal bus replacement plan, bus purchasing and repair decisions are based on immediate needs rather than what would be most efficient for the district.

*School Bus Replacement Considerations* (NASDPTS, 2002) emphasizes that replacement of buses should be a planned process, as “it directly impacts the timeliness of introducing the latest safety, efficiency and emissions improvements into the fleet.” Additionally, the NASDPTS recommends a combined approach to school bus replacement that considers both age and mileage in which replacement thresholds are set between 12 and 15 years.

The average age of the District’s total bus fleet<sup>7</sup> is 12.3 years and 35 of the 54 buses are over 12 years old. A district with an aging fleet may expect increased costs to repair and maintain that fleet. **Table 18** compares the District’s transportation maintenance and repair expenditure ratios to the transportation peer average for FY 2014-15. Comparing bus maintenance expenditures using these metrics helps to ensure a fair assessment as they control for variations in ridership, fleet size, and transport mileage.

**Table 18: Maintenance and Repair Expenditures Comparison<sup>1</sup>**

	NCS D	Transportation Peer Avg.	Difference	% Difference
Per Yellow Bus Rider	\$114.70	\$112.30	\$2.40	2.1%
Per Active Bus	\$7,788.90	\$6,882.90	\$906.00	13.2%
Per Routine Mile	\$0.75	\$0.63	\$0.12	19.0%

Source: NCS D and ODE

<sup>1</sup> Includes mechanic and mechanic helper salaries.

As shown in **Table 18**, the District’s maintenance and repair costs were higher than the transportation peer average for each metric. Higher costs relative to the transportation peers are likely the result of an aging fleet, as increased maintenance and repair costs may be positively correlated with the age of the bus fleet.

The District should implement a formal bus replacement program. A bus replacement plan could reduce overall operating costs and help to anticipate and avoid the need to replace a major portion of the fleet at the same time. While finances may be an obstacle for replacing buses on a schedule set by the District, a bus replacement plan would allow it to communicate to its leadership and to the public about the needs of its bus fleet, its progress in meeting its schedule of replacement, and any risks posed by the current state of the fleet.

<sup>7</sup> The total bus fleet includes regular needs active buses, special needs active buses, and spare buses.

## 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. Fourteen of the 21 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
<b>Financial Management</b>	
Are budgeting and forecasting practices comparable to leading practices?	N/A
Is the strategic plan consistent with leading practices?	N/A
Is financial communication consistent with leading practices?	R.1
<b>Human Resources</b>	
Is the EMIS data process sufficiently reliable and consistent with leading practices?	N/A
Are staffing levels efficient compared to primary peers and state minimum requirements?	R.2, R.3, R.4, R.5, and R.6
Are salaries comparable to local peers?	N/A
Are insurance benefits comparable to industry standards?	R.7
Are the collective bargaining agreement (CBA) provisions comparable to the ORC minimums?	R.8
<b>Facilities</b>	
Is the facilities square footage and staffing data reliable and comparable to leading practices?	N/A
Is custodial and maintenance staffing efficient compared to benchmarks?	N/A
Are facilities expenditures comparable to primary peers?	N/A
Are enrollment projections completed using a reasonable and documented methodology?	N/A
Are building utilization rates consistent with industry benchmarks?	N/A
Are capital planning efforts consistent with leading practices?	N/A
<b>Transportation</b>	
Are the T-Report procedures accurate and consistent with leading practices?	N/A
Is bus routing efficient compared to benchmarks?	N/A
Is the fleet size efficient compared to leading practices?	R.9 and R.10
Is the fleet maintained efficiently?	N/A
Is the fuel purchasing practice resulting in efficient pricing?	N/A
Are the bus replacement practices consistent with leading practices?	R.10
<b>Food Service</b>	
Is the Food Service Fund self-sufficient and consistent with leading practices?	N/A

Note: Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives.

## Appendix B: Additional Comparisons

### Salaries

**Table B-1** shows the District's 30-year compensation schedules compared to the local peer average. Comparing careers compensation to other area districts provides a gauge as to the appropriateness of salary levels on a regional basis.

**Table B-1: 30-Year Career Compensation Comparison**

	NCS D	Local Peer Avg.	Difference	% Difference
<b>Certificated (Teachers)</b>				
Bachelor Degree	\$1,717,574	\$1,746,471	(\$28,897)	(1.7%)
Master Degree	\$1,916,495	\$1,974,623	(\$58,128)	(2.9%)
<b>Classified</b>				
Clerical	\$1,012,672	\$1,105,749	(\$93,077)	(8.4%)
Cafeteria	\$899,002	\$964,128	(\$65,126)	(6.8%)
Custodian	\$848,816	\$1,160,109	(\$311,293)	(26.8%)
Bus Driver	\$1,210,914	\$1,291,371	(\$80,457)	(6.2%)

Source: NCS D and SERB

As shown in **Table B-1**, compensation schedules are lower than the local peer average in every category.

### Facilities Expenditures

**Table B-2** shows the District's facilities expenditures per square foot compared to the primary peer average for FY 2014-15. Examining facilities expenditures in relation to square footage controls for variation in the number and size of buildings.

**Table B-2: Facilities Expenditures per Square Foot Comparison**

	NCS D	Primary Peer Avg.	Difference	% Difference
Salaries and Wages	\$1.76	\$2.11	(\$0.35)	(16.6%)
Employee Benefits	\$0.85	\$0.96	(\$0.11)	(11.5%)
Purchased Services (Excluding Utilities)	\$0.65	\$0.79	(\$0.14)	(17.7%)
Utilities	\$1.22	\$1.19	\$0.03	2.5%
Water & Sewage	\$0.09	\$0.12	(\$0.03)	(25.0%)
Sub-Total Energy	\$1.13	\$1.07	\$0.06	5.6%
Electric	\$0.79	\$0.78	\$0.01	1.3%
Gas	\$0.34	\$0.29	\$0.05	17.2%
Supplies & Materials	\$0.31	\$0.30	\$0.01	3.3%
Capital Outlay	\$0.09	\$0.04	\$0.05	125.0%
Other Objects	\$0.00	\$0.01	(\$0.01)	(100.0%)
<b>Total Expenditures per Square Foot</b>	<b>\$4.88</b>	<b>\$5.40</b>	<b>(\$0.52)</b>	<b>(9.6%)</b>

Source: NCS D and ODE



As shown in **Table B-2**, NCSD spent \$0.52 or 9.6 percent less per square foot than the primary peer average.

### *Facilities Staffing and Workload*

NCSD building and grounds employees are responsible for cleaning and maintaining over 733,000 square feet within the District's eight buildings as well as the associated grounds acreage. **Table B-3** shows a comparison of the District's building and grounds staffing levels, broken out by functional area, to the respective industry workload benchmarks including the American School & University (AS&U) survey and National Center for Education Statistics (NCES).

**Table B-3: Building and Grounds Staffing Benchmark Comparison**

<b>Grounds Staffing</b>	
Grounds FTEs	1.8
Acreage Maintained	187.3
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	4.7
<b>Grounds FTEs Above/(Below) Benchmark</b>	<b>(2.9)</b>
<b>Custodial Staffing</b>	
Custodial FTEs	26.1
Square Footage Cleaned	733,855
NCES Level 3 Cleaning Benchmark - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	24.9
<b>Custodial FTEs Above/(Below) Benchmark</b>	<b>1.2</b>
<b>Maintenance Staffing</b>	
Maintenance FTEs	6.0
Square Footage Maintained	733,855
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	7.7
<b>Maintenance FTEs Above/(Below) Benchmark</b>	<b>(1.7)</b>
<b>Total Buildings &amp; Grounds Staffing</b>	
Total FTEs Employed	33.9
Total Benchmarked Staffing Need	37.3
<b>Total FTEs Above/(Below) Benchmark</b>	<b>(3.4)</b>

Source: NCSD, AS&U, and NCES

As shown in **Table B-3**, NCSD's building and grounds staffing level is efficient in terms of the operation as a whole.

### Building Utilization

Building utilization refers to the level of available building capacity used as classroom space. **Table B-4** shows FY 2014-15 building capacity for NCSD using industry accepted utilization methodology outlined in *Defining Capacity* (DeJong, 1999). According to DeJong, functional capacities are assumed at 25 students for classroom for elementary and middle school buildings and 25 students per teaching station for junior high and high school multiplied by a factor of 85 percent.<sup>8</sup> It is important to examine building utilization as a ratio of student population (Head Count) to the number regular classrooms available time 25 (Functional Capacity). This ratio functions as a workload measure for assessing building utilization. For **Table B-4** head count was determined by regular and special education student enrollment.

**Table B-4: School Building Utilization**

Building	Functional Capacity	Head Count	Utilization
<b>Intermediate School Buildings<sup>1</sup></b>			
Kleptz Early Learning Center	985	811	82.3%
<b>Total Intermediate School</b>	<b>985</b>	<b>811</b>	<b>82.3%</b>
<b>Elementary School Buildings</b>			
Englewood	375	367	97.9%
Englewood Hills	300	263	87.7%
Northmoor	475	454	95.6%
Northwood	350	326	93.1%
Union	500	513	102.6%
<b>Total Elementary School</b>	<b>2,000</b>	<b>1,923</b>	<b>96.2%</b>
<b>Middle School Buildings</b>			
Northmont Middle	925	844	91.2%
<b>Total Middle School</b>	<b>925</b>	<b>844</b>	<b>91.2%</b>
<b>High School Buildings<sup>2</sup></b>			
Northmont High	1,636	1,456	89.0%
<b>Total High School</b>	<b>1,636</b>	<b>1,456</b>	<b>89.0%</b>
<b>District Total</b>	<b>5,546</b>	<b>5,034</b>	<b>90.8%</b>

Source: NCSD

<sup>1</sup> Intermediate School includes pre-school through first grade. According to NCSD's building design, pre-school rooms are assessed at a maximum functional capacity of 16 students per room rather than 25.

<sup>2</sup> High schools were assessed at a utilization rate of 85% to account for the fact that not every teaching station will be used 100% of the time.

As shown in **Table B-4**, the District's FY 2014-25 school building utilization rate was 90.8 percent overall. When determining building utilization, it is also important to assess utilization using projected or expected changes in enrollment.

<sup>8</sup> The 85 percent room utilization accounts for the fact that classrooms may only be used six out of seven periods a day.

**Table B-5** shows projected building capacity and utilization using FY 2015-16 through FY 2019-20 projected enrollment levels.

**Table B-5: Projected Building Capacity & Utilization**

<b>Fiscal Year</b>	<b>Functional Capacity</b>	<b>Head Count</b>	<b>Utilization</b>
2015-16	5,546	5,032	<b>90.7%</b>
2016-17	5,546	5,040	<b>90.9%</b>
2017-18	5,546	5,060	<b>91.2%</b>
2018-19	5,546	5,090	<b>91.8%</b>
2019-20	5,546	5,131	<b>92.5%</b>

Source: NCSD

Note: Functional capacity excludes dedicated special education rooms. Head count includes all students.

As shown in **Table B-5**, overall District school building utilization based on future enrollment projections will be above 92 percent.

# Appendix C: Five-Year Forecasts

Chart C-1 shows the District's October 2015 five-year forecast as reported to ODE.

**Chart C-1: NCSD October 2015 Five-Year Forecast**

Line	Actual			Forecasted				
	2013	2014	2015	2016	2017	2018	2019	2020
1.010 General Property (Real Estate)	23,600,841	23,760,179	23,565,965	23,214,000	23,214,000	23,214,000	23,224,000	23,234,000
1.020 Tangible Personal Property Tax	800,753	868,182	904,505	905,000	905,000	905,000	905,000	905,000
1.035 Unrestricted Grants-in-Aid	18,403,544	19,118,826	20,770,070	22,318,000	22,318,000	22,318,000	22,318,000	22,318,000
1.040 Restricted Grants-in-Aid	331,256	305,453	776,641	670,000	770,000	770,000	770,000	770,000
1.045 Restricted Federal Grants-in-Aid - SFSF	118,505							
1.050 Property Tax Allocation	4,047,025	4,084,725	4,061,956	4,041,000	4,041,000	4,041,000	4,041,000	4,041,000
1.060 All Other Operating Revenue	990,097	930,256	1,119,094	1,000,709	1,110,709	1,110,709	1,110,709	1,110,709
1.070 Total Revenue	48,292,021	49,067,621	51,198,231	52,148,709	52,358,709	52,358,709	52,368,709	52,378,709
2.050 Advances-In	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
2.060 All Other Financial Sources	5,075	124,303	4,291	4,291	4,291	4,291	4,291	4,291
2.070 Total Other Financing Sources	20,075	139,303	19,291	19,291	19,291	19,291	19,291	19,291
2.080 Total Revenues and Other Financing Sources	48,312,096	49,206,924	51,217,522	52,168,000	52,378,000	52,378,000	52,388,000	52,398,000
3.010 Personnel Services	28,717,212	28,420,164	29,535,535	31,289,000	32,230,000	33,493,000	34,701,000	36,004,000
3.020 Employees' Retirement/Insurance Benefits	12,233,259	12,582,662	12,821,169	13,416,000	14,411,000	15,412,000	16,569,000	17,823,000
3.030 Purchased Services	3,050,831	3,946,315	3,979,653	7,106,000	7,917,000	8,612,000	9,465,000	10,362,000
3.040 Supplies and Materials	3,403,284	1,740,781	1,571,693	1,738,000	1,822,000	1,760,000	1,870,000	1,990,000
3.050 Capital Outlay	880,356	1,020,456	1,761,793	1,172,000	1,190,000	1,477,000	1,505,000	1,515,000
4.300 Other Objects	1,598,125	490,748	482,019	727,000	830,000	982,000	1,037,000	1,107,000
4.500 Total Expenditures	49,883,067	48,201,126	50,151,862	55,448,000	58,400,000	61,736,000	65,147,000	68,801,000
5.010 Operational Transfers - Out	8,300	2,311		3,000	3,000	3,000	3,000	3,000
5.020 Advances - Out	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
5.040 Total Other Financing Uses	23,300	17,311	15,000	18,000	18,000	18,000	18,000	18,000
5.050 Total Expenditure and Other Financing Uses	49,906,367	48,218,437	50,166,862	55,466,000	58,418,000	61,754,000	65,165,000	68,819,000
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	-1,594,271	988,487	1,050,660	-3,298,000	-6,040,000	-9,376,000	-12,777,000	-16,421,000
7.010 Beginning Cash Balance	10,857,459	9,263,188	10,251,675	11,302,335	8,004,335	1,964,335	-7,411,665	-20,188,665
7.020 Ending Cash Balance	9,263,188	10,251,675	11,302,335	8,004,335	1,964,335	-7,411,665	-20,188,665	-36,609,665
8.010 Outstanding Encumbrances	2,285,386	2,379,944	935,955	2,380,000	2,380,000	2,380,000	2,380,000	2,380,000
10.010 Fund Balance June 30 for Certification of Appropriations	6,977,802	7,871,731	10,366,380	5,624,335	-415,665	-9,791,665	-22,568,665	-38,989,665
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	6,977,802	7,871,731	10,366,380	5,624,335	-415,665	-9,791,665	-22,568,665	-38,989,665
15.010 Unreserved Fund Balance June 30	6,977,802	7,871,731	10,366,380	5,624,335	-415,665	-9,791,665	-22,568,665	-38,989,665

Source: NCSD and ODE

Chart C-2 shows the District's May 2016 five-year forecast as reported to ODE.

**Chart C-2: NCS D May 2016 Five-Year Forecast**

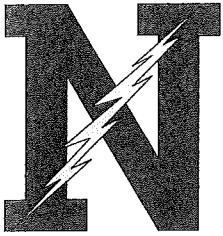
Line	Actual			Forecasted				
	2013	2014	2015	2016	2017	2018	2019	2020
1.010 General Property (Real Estate)	23,600,841	23,760,179	23,565,965	23,214,000	25,336,660	24,999,310	23,434,660	23,434,660
1.020 Tangible Personal Property Tax	800,753	868,182	904,505	905,000	858,784	858,784	858,784	858,784
1.035 Unrestricted Grants-in-Aid	18,403,544	19,118,826	20,770,070	22,318,000	24,018,588	24,018,588	24,018,588	24,018,588
1.040 Restricted Grants-in-Aid	331,256	305,453	776,641	670,000	486,998	486,998	486,998	486,998
1.045 Restricted Federal Grants-in-Aid - SFSF	118,505							
1.050 Property Tax Allocation	4,047,025	4,084,725	4,061,956	4,041,000	4,005,116	4,005,116	4,005,116	4,005,116
1.060 All Other Operating Revenue	990,097	930,256	1,119,094	1,000,709	1,110,709	1,110,709	1,110,709	1,110,709
1.070 Total Revenue	48,292,021	49,067,621	51,198,231	52,148,709	55,816,855	55,479,505	53,914,855	53,914,855
2.050 Advances-In	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
2.060 All Other Financial Sources	5,075	124,303	4,291	4,291	4,291	4,291	4,291	4,291
2.070 Total Other Financing Sources	20,075	139,303	19,291	19,291	19,291	19,291	19,291	19,291
2.080 Total Revenues and Other Financing Sources	48,312,096	49,206,924	51,217,522	52,168,000	55,836,146	55,498,796	53,934,146	53,934,146
3.010 Personnel Services	28,717,212	28,420,164	29,535,535	31,219,000	31,058,000	32,629,000	33,827,000	35,118,000
3.020 Employees' Retirement/Insurance Benefits	12,233,259	12,582,662	12,821,169	13,489,000	14,069,000	14,986,000	16,102,000	17,298,000
3.030 Purchased Services	3,050,831	3,946,315	3,979,653	7,103,000	7,917,000	8,612,000	9,465,000	10,362,000
3.040 Supplies and Materials	3,403,284	1,740,781	1,571,693	1,738,000	1,387,000	1,405,000	1,490,000	1,555,000
3.050 Capital Outlay	880,356	1,020,456	1,761,793	1,172,000	280,000	387,000	405,000	415,000
4.300 Other Objects	1,598,125	490,748	482,019	727,000	830,000	982,000	1,037,000	1,107,000
4.500 Total Expenditures	49,883,067	48,201,126	50,151,862	55,448,000	55,541,000	59,001,000	62,326,000	65,855,000
5.010 Operational Transfers - Out	8,300	2,311		3,000	3,000	3,000	3,000	3,000
5.020 Advances - Out	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
5.040 Total Other Financing Uses	23,300	17,311	15,000	18,000	18,000	18,000	18,000	18,000
5.050 Total Expenditure and Other Financing Uses	49,906,367	48,218,437	50,166,862	55,466,000	55,559,000	59,019,000	62,344,000	65,873,000
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	-1,594,271	988,487	1,050,660	-3,298,000	277,146	-3,520,204	-8,409,854	-11,938,854
7.010 Beginning Cash Balance	10,857,459	9,263,188	10,251,675	11,302,335	8,004,335	8,281,481	4,761,277	-3,648,577
7.020 Ending Cash Balance	9,263,188	10,251,675	11,302,335	8,004,335	8,281,481	4,761,277	-3,648,577	-15,587,431
8.010 Outstanding Encumbrances	2,285,386	2,379,944	935,955	2,380,000	1,200,563	1,200,563	1,200,563	1,200,563
10.010 Fund Balance June 30 for Certification of Appropriations	6,977,802	7,871,731	10,366,380	5,624,335	7,080,918	3,560,714	-4,849,140	-16,787,994
11.020 Property Tax - Renewal or Replacement						1,912,350	3,477,000	3,477,000
11.300 Cumulative Balance of Replacement/Renewal Levies						1,912,350	5,389,350	8,866,350
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	6,977,802	7,871,731	10,366,380	5,624,335	7,080,918	5,473,064	540,210	-7,921,644
15.010 Unreserved Fund Balance June 30	6,977,802	7,871,731	10,366,380	5,624,335	7,080,918	5,473,064	540,210	-7,921,644

Source: NCS D and ODE

## **Client Response**

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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.



**NORTHMONT CITY SCHOOL DISTRICT**

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Office of the Superintendent

Anthony R. Thomas  
tthomas@northmontschools.net

August 17, 2016

Mr. David Yost  
Auditor of State  
88 E. Broad Street, 5<sup>th</sup> Floor  
Columbus OH 43215

Dear Auditor Yost:

On behalf of the Northmont City School District Board of Education and Administration, we would like to thank you for working with the district during the Performance Audit. In the end, we found commonality as both the district and the Performance Audit Team want to make prudent fiscal decisions. We did not always totally agree at times because we need to look at the decision through the terms of how to best educate students, for example, properly funding our gifted education program, but we understand the need to constantly look for efficiencies which is our practice as well.

We hope to soon have an agreement with our employees to control health care cost as recommended in the report.

The staff reductions recommended by the team were considered and many of the cuts were implemented.

We look forward to working with our familiar colleagues at Lakota to develop a staffing plan.

We appreciate the Audit Team considering the levy that was passed during the audit process. Obviously, this improved the district's financial footing, and adding the tables to the report to reflect these changes was greatly appreciated.

We value the time and effort spent working with our district to make sound fiscal decisions while also focusing on preparing students for the changing demands of a highly skilled workforce.

Sincerely,

Tony Thomas  
Superintendent

**OUR MISSION**

*The mission of Northmont City Schools is to provide students an exceptional education with diverse opportunities so they maximize their potential and are productive, responsible citizens.*

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# Dave Yost • Auditor of State

**NORTHMONT CITY SCHOOL DISTRICT**

**MONTGOMERY 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  
AUGUST 30, 2016**