OHIO AUDITOR OF STATE
KEITH FABER

Barberton
City School District

Performance Audit

July 2026

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OHIO AUDITOR OF STATE
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To the Barberton City School District Community:

The Auditor of State's Office recently completed a performance audit for the Barberton City School District (the District). The District was selected for a performance audit based on its projected financial condition. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. The performance audit has been provided at no cost to the District through state funds set aside to provide analyses for districts that meet certain criteria, including conditions that would lead to fiscal distress.

This performance audit report contains recommendations, supported by detailed analyses, to enhance the District's overall economy, efficiency, and/or 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 recommendations contained in the report to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

It is my hope that the District will use the results of the performance audit as a resource for improving operational efficiency as well as service delivery effectiveness. The analyses contained within are intended to provide management with information, and in some cases, a range of options to consider while making decisions about their operations.

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. Additional resources related to performance audits are also available on the Ohio Auditor of State's website.

Sincerely,

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 28, 2026

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Introduction

The public expects and deserves government entities to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs. Transparent management of taxpayer dollars promotes a good relationship with the constituents served by a school district. School districts in Ohio are required to submit financial forecasts to the Ohio Department of Education and Workforce (ODEW) annually in October, with updates to the forecast submitted in February.[1] These documents provide three years of historical financial data, as well as the projected revenues and expenses for a multi-year period.[2]

The Ohio Auditor of State's Office Ohio Performance Team (OPT) routinely reviews the submitted forecasts in order to identify districts which may benefit from a performance audit. These audits are designed to assist school districts that are struggling financially. We use data-driven analyses to produce and support recommendations that identify opportunities for improved operations, effectiveness, increased transparency, and reductions in cost. While we have the authority to initiate a performance audit for school districts facing financial distress, any school district can request, and benefit from, an audit.[3]

Audit Methodology

Our audit focuses on identifying opportunities where expenditures may be reduced as the District administration can make decisions in these areas. The information, which was presented to District officials, is based on a combination of peer district comparisons, industry standards, and statewide requirements. During the audit, we relied primarily on academic year (AY) 2025 data to complete our analyses, which was the most recent year of available data at the time.[4] When applicable, we supplemented our analyses with current data supplied by the District.

Two groups of peer districts were identified for the purpose of this audit. The first peer group, primary peers, are districts located throughout Ohio and are chosen based on having similar or better academic performance and similar demographic makeup while maintaining relatively lower spending per pupil. Primary peer districts are used for financial comparisons and analyses regarding operations such as staffing levels. The second, local peers, is comprised of districts in

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[1] ORC § 5705.391 and OAC 3301-92-04.
[2] House Bill 96 of the 136th General Assembly (the biennial budget bill) contained changes to the school forecast which included shortening the length of the forecast period and altering the submission dates. These changes went into effect in AY 2026.
[3] Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see **Appendix A** for more details.
[4] The academic year, which coincides with the fiscal year, begins July 1st and ends June 30th.

the surrounding area and is used for labor market comparisons, such as salary schedules. See **Appendix A** for a list of all districts used in our peer comparisons.

Barberton City School District

Barberton City School District (BCSD or the District) is located in Summit County and, as of AY 2025, had 3,254 students enrolled including students residing in the District and those who attend through open enrollment options. The District spans approximately nine square miles and has an Ohio median income of $36,446.

Financial Condition

In October 2025, the District released its required annual forecast that showed negative year-end fund balances in the forecast period beginning in AY 2027. A summary of this forecast is in the table below. As seen in this table, the District has negative results of operations in each of the four years of the forecast period. This deficit spending is possible in the short term because of the existing positive fund balance. However, based on projected deficit spending, the District projected a negative ending cash balance beginning in AY 2027, which was projected to grow to approximately $28.4 million by AY 2029, the last year of the forecast. Due to the declining fiscal condition of the District, and in consultation with ODEW, we chose to conduct a performance audit.

Financial Condition Overview (October 2025 Forecast)

	AY 2026	AY 2027	AY 2028	AY 2029
Total Revenue	$50,627,195	$51,146,018	$51,858,168	$51,968,750
Total Expenditures	$60,647,130	$60,646,394	$62,087,956	$63,900,210
Results of Operations	**($10,019,935)**	**($9,500,376)**	**($10,229,788)**	**($11,931,460)**
Beginning Cash Balance	$13,278,194	$3,258,259	($6,242,117)	($16,471,904)
Ending Cash Balance	**$3,258,259**	**($6,242,117)**	**($16,471,904)**	**($28,403,365)**
Encumbrances	$500,000	$500,000	$500,000	$500,000
Fund Balance	**$2,758,259**	**($6,742,117)**	**($16,971,904)**	**($28,903,365)**

Source: BCSD, ODEW, and AOS

Due to the District's projected financial condition in its October 2025 forecast, BCSD was required to submit a written financial recovery plan and forecast to ODEW. In February 2026, the District submitted the recovery plan and its semi-annual forecast (see **Appendix B**). The financial recovery plan included a staffing reduction of 87.0 FTEs and a reduction in purchased services expenditures. The expected cost savings from this recovery plan was forecasted to reduce the ending fund deficit in AY 2029 from approximately $28.9 million to 22.5 million, or almost $6.4 million over the forecast period. As part of the plan, the District also placed an 11-mill continuing general property tax levy on the May 2026 ballot, which ultimately failed.

Although the District's recovery plan did reduce the projected deficits, there were still significant financial concerns projected in the February forecast. Due to continued projected deficits, ODEW identified the District as being in a state of fiscal caution on March 6, 2026. At the end of March, BCSD submitted an updated financial recovery plan and forecast. As seen in the following table, this forecast projected negative year-end fund balances beginning in AY 2027. This deficit is projected to grow to more than $21.0 million by the end of the forecast period in AY 2029. In the March forecast, the District's negative results of operations ranged from 21.0 percent of revenue in AY 2026 to 17.8 percent of revenue in AY 2029.

Financial Condition Overview (March 2026 Forecast)

	AY 2026	AY 2027	AY 2028	AY 2029
Total Revenue	$51,834,733	$50,798,930	$50,805,499	$50,760,238
Total Expenditures	$62,705,786	$56,869,721	$57,635,678	$59,770,486
Results of Operations	**($10,871,053)**	**($6,070,791)**	**($6,830,179)**	**($9,010,248)**
Beginning Cash Balance	$13,278,197	$2,407,144	($3,663,648)	($10,493,826)
Ending Cash Balance	**$2,407,144**	**($3,663,648)**	**($10,493,826)**	**($19,504,075)**
Encumbrances	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Fund Balance June 30 (Line 12.010)	**$907,144**	**($5,163,648)**	**($11,993,826)**	**($21,004,075)**

Source: BCSD, ODEW, and AOS

Note: The March 2026 forecast also projected revenue from the passage of a continuing general property tax levy that was on the May 2026 ballot. This issue failed, and therefore we did not include the information in the summary table.

Because the District has not provided an acceptable financial recovery plan to ODEW to correct the budgetary condition and the deficit spending in AY 2027, BCSD was declared as being in a state of Fiscal Watch on May 21, 2026. Within 60 days of the declaration, the District is required to submit an updated financial recovery plan outlining additional corrective actions to effectively address the deficit. If the District fails to provide a plan sufficient to address their deficit condition, they may be placed in Fiscal Emergency.

School Funding

Historically, school funding in Ohio has been a partnership between the state and local districts. Local districts can raise funds through property and income taxes, and the state provides funding primarily through a foundation formula, which is intended to ensure a basic level of education funding for all students. Districts may also receive some funding from other sources, such as federal grants. In AY 2025, of the approximately $28.6 billion in reported revenue for public education in Ohio, 83.4 percent, or $23.8 billion, came from state and local sources.[5]

[5] Of the remaining 16.6 percent of revenue, 9.1 percent came from the federal government with the remaining 7.5 percent coming from a variety of sources including funds raised through tuition, fees, extracurricular activities, grants, and other non-tax sources.

State Funding

On July 1, 2025, House Bill (HB) 96 of the 136th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, which was enacted in 2021,[6] and is commonly referred to as the Fair School Funding Plan. The formula changes will be phased in at 83.33 percent in AY 2026 and 100 percent in AY 2027.[7] During the phase-in period, the amount of state funding received in any given year may have been less than what would have been received if the formula were fully funded. In addition to the formula, there are two “guarantee” provisions that provide additional revenue and prevent a district’s state funding from falling below certain historical amounts.[8] In the most recent budget, the temporary transitional aid provides funding based on AY 2020 levels and the formula transition supplement provides funding based on AY 2021 levels including a district’s student wellness and success funds and enrolment growth supplement for that year. BCSD did not qualify for either of these supplemental guarantees and receives only the calculated formula funding.

Local Funding

Local revenue can be raised through a combination of property and income taxes. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents.[9] Approximately one-third of Ohio school districts currently have an income tax.

Property Tax

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution[10] and the Ohio Revised Code (ORC).[11] These restrictions limit the amount of tax that can be levied without voter approval to 10 mills[12] or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value, which is defined as 35 percent of fair market value. These taxes are distributed between the various taxing districts that operate where a property is located.

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[6] ODEW transitioned to the new funding model in January of 2022.

[7] See https://www.lsc.ohio.gov/assets/legislation/136/hb96/psc/files/hb96-comparison-document-as-pending-in-senate-committee-136th-general-assembly.pdf

[8] In addition, the budget extended temporary transitional transportation aid associated with a district’s per-pupil transportation aid.

[9] See https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax.

[10] Ohio Const. Art. XII, Section 2.

[11] Ohio Rev. Code § 5705.02.

[12] A mill is defined as one-tenth of one percent or $1 for every $1,000 of taxable value.

The 10 mills allowed by the Constitution are typically referred to as inside, or un-voted mills. On average, school districts have approximately 4.7 inside mills, and the remainder of property tax revenue would come from voted, or outside millage.

School districts can obtain additional property tax revenue through voter approved bonds and levies. These taxes can have a variety of purposes that are defined in the authorizing language and are generally divided into three broad categories: general operations, permanent improvement, and construction.

Levies may be defined as either a fixed-rate or a fixed-sum. A fixed-rate levy identifies the number of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate will apply, and the district will realize additional revenues. Current expense levies, used for general operations, and permanent improvement levies are typically fixed-rate. A fixed-sum levy identifies an amount that will be generated from the levy. While there may be an estimated millage rate, the actual rate will vary based on assessed property values. If new construction occurs within the district, there would be no new revenues for a fixed-sum levy. Emergency levies[13] for general operations, and bond levies for the financing of new buildings, are typically fixed-sum levies.

Ohio has historically had laws which limit the impact rising property values can have on property taxes. The most recent version of these limitations was enacted in 1976 and requires that the amount collected on fixed-rate millage is frozen at the dollar value collected in its first year.[14] In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.[15] Instead, the outside mills are subject to reduction factors[16] which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.[17]

However, under state law, in order to receive state foundation funding, a district must collect a minimum of 20 mills in property taxes for general purposes, or current expenses.[18] In order to

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[13] Authorized by ORC §5705.194. Beginning in Tax Year 2026, new emergency levies are not allowed to be proposed, per HB 129 of the 136th General Assembly. However, existing emergency levies may be renewed as a converted fixed-sum current expense operating levy for up to five years and can be renewed subsequently after that.
[14] Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.
[15] If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.
[16] ORC § 319.301.
[17] We are providing this information for historical purposes only. The law which regulates collection of on outside millage has been amended since enacted in 1976. The District should consult with the most current version of the law for a clear understanding of how this process works today.
[18] The term 'current expense' refers to revenue generated from levies that are not restricted in their use. It does not include bonds or levies that generate revenues for restricted funds, such as Permanent Improvement levies.

prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district's effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters.[19] It is important to note not all levies count toward the 20-mill floor.

School District Income Tax

A school district income tax is an alternative method of raising local revenue. Like property taxes, an income tax must be approved by voters and may be for either general use or specific purposes, such as bond repayment. Once approved, a tax becomes effective on January 1st of the following year. Unlike municipal income taxes which are generally levied on wages earned in the municipality by both residents and nonresidents, school district income taxes are levied on wages earned by residents of the district, regardless of where the resident may work. Businesses operating within the school district are not required to pay the income tax.

A school board, when determining that an income tax is necessary for additional revenue, must submit a resolution to the Ohio Tax Commissioner identifying the amount of revenue to be raised and the tax base to be used for calculations. A school district income tax can be assessed on either a traditional tax base or an earned income tax base. The traditional tax base uses the same income base as Ohio's income tax and the earned income tax base is only earned income from an employer or self-employment. Under the earned income tax base, income such as capital gains or pension payments is not taxable, though this type of income may be taxed under the traditional tax base. Once this information is received, the Tax Commissioner identifies the income tax rate and equivalent property tax millage for the district.

The Ohio Department of Taxation collects income tax through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines as are currently used for state income taxes. Districts receive quarterly payments from the Department of Taxation, and each payment is for the amount collected during the prior quarter. A district receives the total amount of revenue collected less a 1.5 percent fee retained by the state for administration purposes. The amount of revenue collected via income tax each year will vary based on the earnings of the district's residents.

[19] Under HB 186 of the 136th General Assembly, property tax growth at the 20-mill floor is capped using the GDP deflator over the three preceding tax years beginning in Tax Year 2025.

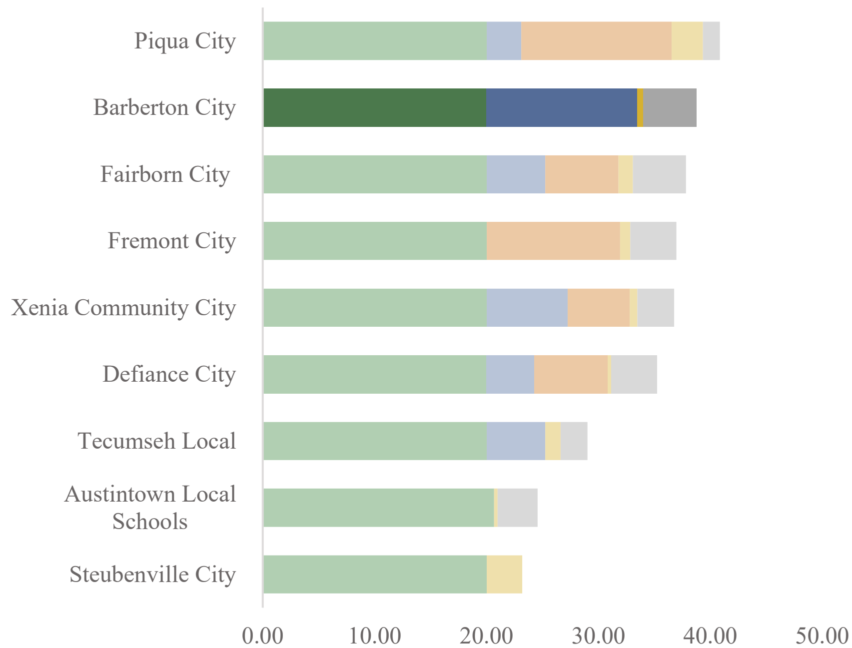
BCSD Local Funding

In 2025, BCSD collected revenues on 38.76 mills of property tax for residential properties.[20] This included 4.50 inside mills and 15.50 outside mills for current expenses. The District's current expense millage rate is at the 20-mill floor and therefore not subject to reduction factors. In addition to the 20 mills collected for current expenses, the District collects additional property tax revenue that does not count toward the 20-mill floor. In 2025, this additional millage totaled 18.76, and was comprised of 4.75 bond mills, 13.45 emergency mills[21] and 0.56 permanent improvement mills.

Since the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for BCSD to that of its primary peers. This comparison is found in the chart below. The green portion of the bar represents the current expense millage rate, where all but one of the peers are also on the 20-mill floor. The blue portion represents emergency and substitute revenue which is not subject to reduction factors.[22] The yellow represents permanent improvement funds, and the gray represents bond funding. While BCSD does not have a school district income tax, five peers do collect revenue from income tax. For comparison purposes, OPT calculated an estimated millage for the revenue generated from income taxes based on guidance from the Department of Taxation, which is represented by the orange portion of the bars in the chart below.

[20] Residential and agricultural property is considered Class 1 real estate. Commercial Property is considered Class 2 real estate and subject to a different set of reduction factors. The effective millage rate for Class 2 property in 2025 was 44.13 mills.
[21] As previously mentioned, HB 129 prevents school districts from renewing emergency and substitute levies. The District may choose to renew this levy by converting to a fixed-sum levy for up to a five-year period when it expires. In addition, HB 129 changes the 20-mill floor calculation to include emergency and substitute levies beginning in the next reappraisal or triennial update cycle of a county that contains territory of a district. Summit County, where BCSD is located, is undergoing a reappraisal in 2026.
[22] Per HB 129, beginning in Tax Year 2026, if a county which contains a portion of a district goes through a property value reappraisal or triennial update, emergency and substitute levies will be included in the 20-mill floor calculation. In considering levies included in the 20-mill floor for school districts like BCSD located in more than one county, HB 479 explains that instead of the "tax reduction factor" being triggered whenever a county undergoes reappraisals or triennial update, it is instead triggered every three years. More specifically, it is triggered when the county where most of the district's taxable value is located undergoes a reappraisal.

2025 Millage and Millage Equivalents | Primary Peers



Source: Ohio Department of Taxation

The composition of levies impacts district revenues. **Current Expense mills**, used for general operations are subject to reduction factors up to the 20-mill threshold. **Emergency and substitute mills** raise a defined amount of general operating revenue and are not reduced. **Income tax mill equivalents** are calculated by OPT for comparison purposes based on guidance from the Department of Taxation. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

The composition of levies impacts district revenues. Current expense mills, used for general operations are subject to reduction factors up to the 20-mill threshold. Emergency and substitute mills raise a defined amount of general operating revenue and cannot be reduced. Income tax mill equivalents are calculated by OPT based on guidance provided by the Department of Taxation for comparison purposes. Permanent improvement mills are used for maintenance of long-term assets and may be subject to reduction factors. Bond mills raise a defined amount used for the purchase or construction of new buildings. It is important to understand that *revenue* generated from bond and emergency levies remains the same regardless of changes to property values as they are voted as fixed-sum levies. The *revenue* generated from current expense millage and permanent improvement millage also stays the same until the 20-mill floor is hit for current expense taxes. At that point, a district at the floor would see additional revenues from increases in value to existing properties. The District is presently at the 20-mill floor. This means that if property values increase within the District, it will see additional revenues based on that growth.[23]

[23] The information presented in this paragraph is accurate based on information available in 2025. However, in December 2025, four new laws were enacted that will change the way that local property taxes are calculated. Specific changes are noted throughout the report that may impact the District's revenue.

The property tax revenues for the District's General Fund are generated from several levies. The following table shows the levies currently in effect for the District and includes the Gross Tax Rate, or the amount that was voted on, and the Effective Tax Rate, or the amount that is assessed on properties. The difference between the Gross Tax Rate and the Effective Tax Rate illustrates the impact that reduction factors have on collection rates. In the table, the first current expense levy is identified as starting in 1976. It should be noted that in 1976, changes were made to the ORC that impacted the collection of property taxes. The levy identified in 1976 may include any levies that predate that year which remain in effect.

Current Levies Collected by BCSD, AY 2025

Levy Year	Levy Name	Length	Last Approved	Gross Tax Rate	Class I Effective Tax Rate
	GENERAL FUND	N/A	-	4.50	4.50
1976	CURRENT EXPENSE	Continuing	-	30.79	11.56
1991	CURRENT EXPENSE	Continuing	-	7.80	3.94
2008	BOND ($34,250,000)	27 Years	2008	4.75	4.75
2008	PERMANENT IMPROVEMENT	Continuing	-	0.90	0.56
2013	SUBSTITUTE (RC 5705.199)	10-Year	2019	13.45	13.45
	Total			**62.19**	**38.76**

Source: Ohio Department of Taxation

The District's millage includes 4.5 inside mills, identified as General Fund in the table, that were not voted on by the taxpayers. In addition, the District collects revenue on 11.56 mills that predate the 1976 changes to property tax laws in Ohio. Finally, the District has 3.94 mills from a current expense levy passed in 1991. These levies are used to calculate the 20-mill floor. Because the District is at the 20-mill floor, it will see revenue growth on these mills as property values increase.[24]

In addition to the current expense mills that count towards the 20-mill floor, the District collects revenue on Bond millage, Permanent Improvement millage, and Substitute millage.[25] The Bond and Substitute millage are intended to raise a specific dollar amount and are not subject to reduction factors. The Permanent Improvement levy is subject to reduction factors, but does not count towards the 20-mill floor.

[24] As previously noted, HB 335 caps the rate of growth using the GDP deflator over the three preceding tax years.
[25] As previously noted, HB 129 changes the calculation for the 20-mill floor to include emergency and substitute levies after a county goes through a property value appraisal or triennial update. Summit County is undergoing a reappraisal in tax year 2026.

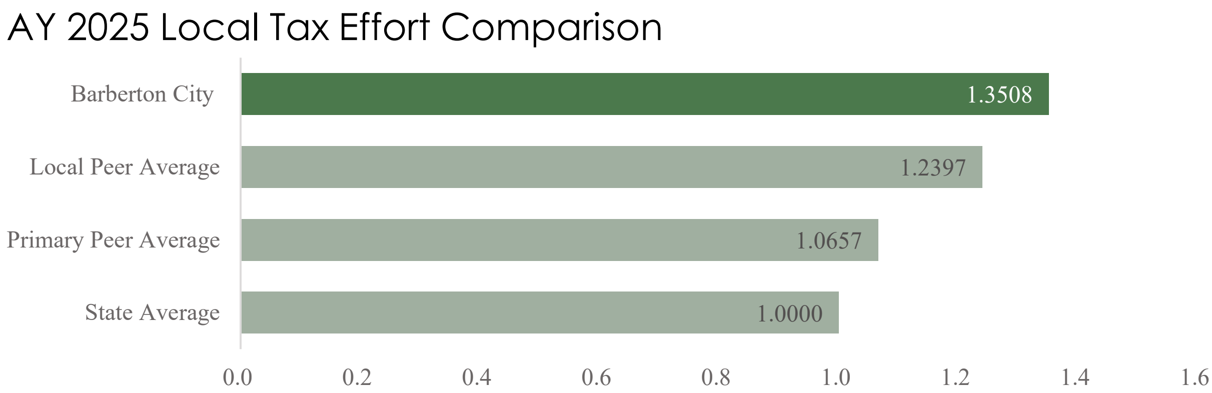
Property Valuation

Millage is one component of how districts generate revenue. The millage is assessed on property value, so the total revenue collected from property levies is a combination of millage and total valuation. A district with higher property value may see more total revenue from fewer mills than a district with lower property values. BCSD's millage rate is among the highest compared to the primary peers. However, the District has a lower property valuation compared to its peers. BCSD's total property valuation in Tax Year 2025 was approximately $542 million compared to the primary peer average of approximately $726 million. In Tax Year 2024, one mill of property tax generated approximately $178.06 in revenue per pupil, which is below the primary peer average of $211.37 per pupil. Although the District's millage rate is among the highest compared to the primary peers, its lower valuation means that the District still has a lower capacity to raise revenue.

Local Tax Effort

ODEW uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and is calculated in the context of the residents' abilities to pay by determining the relative position of each school district in the state in terms of the portion of residents' income devoted to supporting public education. This index uses median income data and provides context to better understand a community's tax burden, not only compared to other districts, but also as a function of the residents' ability to pay.

On this sliding scale, a value of 1.0 indicates the state average, a baseline against which all districts in the state are weighed. If a district has a local tax effort below 1.0, residents provide a smaller portion of their available income to public education whereas a value above 1.0 indicates the community pays a larger portion of their available income to public education compared to the state average. The index is updated annually by ODEW as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.



Source: ODEW

The District's local tax effort was compared to the local peers, primary peers, and the state average. Districts are ranked from 1 to 606,[26] with 1 being the highest level of effort, or the 99th percentile and 606 being the lowest level effort, or the 1st percentile. The District has a local tax effort of 1.3508, which demonstrates that residents contribute above-average amounts of their income to support education. The District ranks 111th out of 606 districts, which is approximately the 82nd percentile of all districts. By comparison, the local peer average of 1.2397 would rank approximately 160th out of all 606 districts, or the 74th percentile.

BCSD Revenues and Expenditures

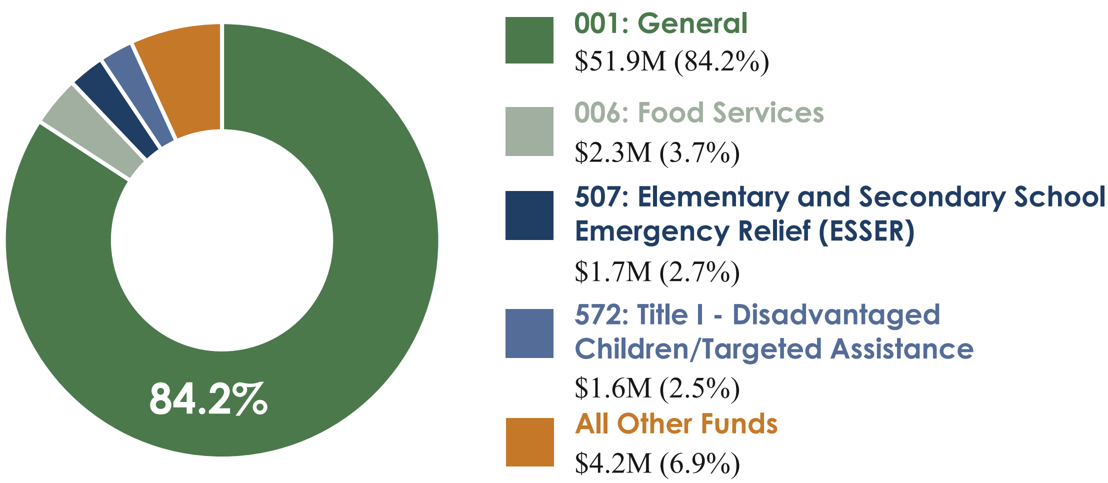
A school district budget is comprised of revenues and expenditures. Revenues are primarily received from local, state, and federal funding sources, and can be placed into general or special use funds. In AY 2025, BCSD had approximately $61.7 million in total revenue as seen in the following chart. The General Fund comprised 84.2 percent of total revenue, the Food Service Fund comprised 3.7 percent of total revenue, and the ESSER Fund comprised 2.7 percent of total revenue.

[26] Although there are 611 traditional school districts in Ohio, ODEW excludes Ohio's island districts and College Corner Local School District due to the unique characteristics of these districts.

Fund Activity

AY 2025 Revenue Distribution by Fund

Total: $61.7M



Source: BCSD

Note: Excludes certain funds and receipt codes. See **Appendix B** for all fund activity and more details regarding exclusions.

Note: Due to rounding, revenue categories may not sum up to the total listed.

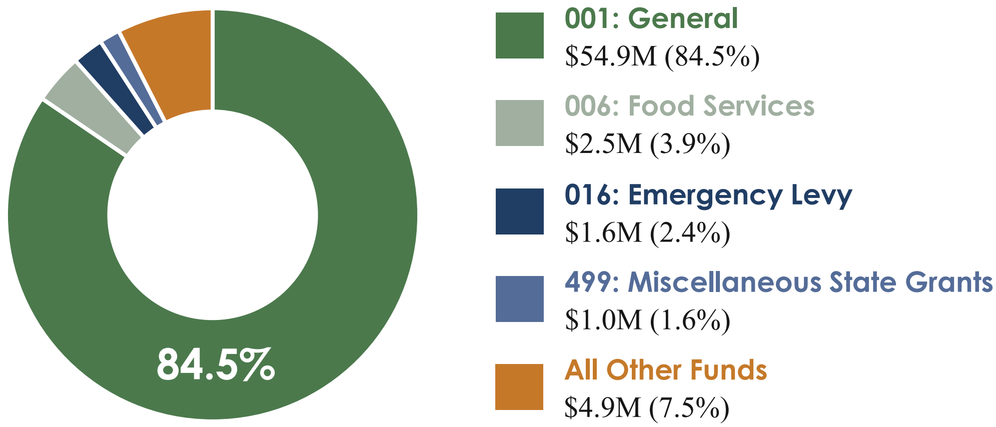
As noted above, the majority of the District's revenue is directed to the General Fund, which is used for general operations. In AY 2025, the District's total General Fund revenue was approximately $51.9 million.[27]

Similar to revenue allocation, expenditures are paid from specific funds. For example, most salaries and wages are typically paid from the General Fund. The following chart shows the District's total expenditures by fund type. In AY 2025, the total expenditures were higher than total revenue, particularly within the General Fund.[28]

[27] This total excludes advances to the General Fund. For purposes of comparison, we excluded advances to the General Fund for both BCSD and the peer groups throughout the Revenue and Expenditures section.

[28] See **Appendix B** for more details regarding fund activity.

AY 2025 Expenditure Distribution by Fund
Total: $64.9M



Source: BCSD

Note: Excludes certain funds, object codes, and function codes. See **Appendix B** for all fund activity and more detail regarding exclusions.

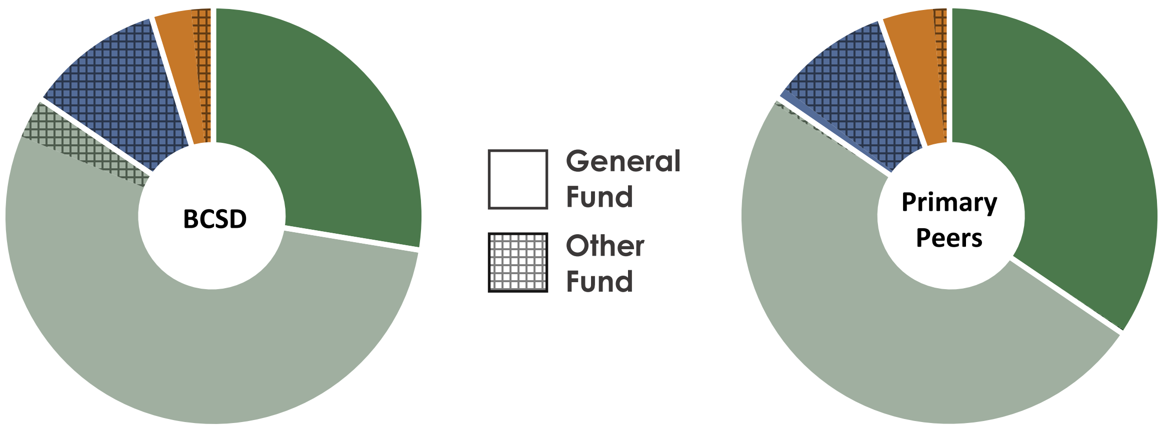
Note: Due to rounding, expenditure categories may not sum up to the total listed.

As seen in the visual above, the District's total General Fund expenditures were approximately $54.9 million in AY 2025.

Fund Composition

The following charts show the total revenue by type of funding; federal, state, local, or other. In addition, the chart identifies what portion of these revenues are dedicated to the General Fund as it is the largest fund.

AY 2025 Revenue Composition Comparison



GF	Other	Total		GF	Other	Total
27.6%	0.0%	**27.6%**	**Local**	34.3%	0.3%	**34.5%**
53.7%	3.2%	**56.9%**	**State**	49.5%	0.6%	**50.1%**
0.1%	10.5%	**10.7%**	**Federal**	0.8%	9.2%	**10.0%**
3.2%	1.6%	**4.8%**	**Other**	4.0%	1.4%	**5.4%**
84.6%	**15.3%**	**100.0%**	**Total**	**88.6%**	**11.5%**	**100.0%**

Source: BCSD, Primary Peers, & ODEW

Note: Due to rounding, revenue categories may not sum up to the total listed.

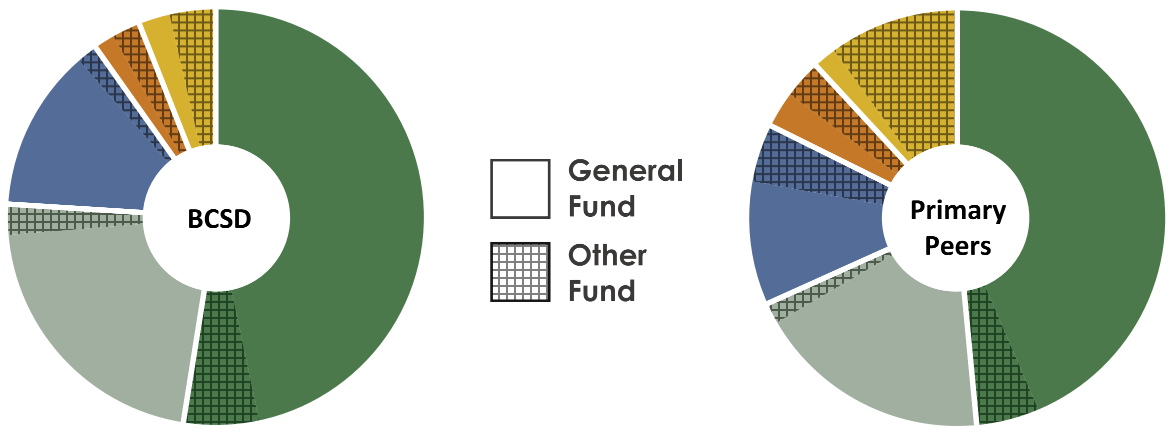
Note: Other category includes other non-local tax revenue funds such as tuition, transportation fees, earnings on investments, food services, extracurricular activities, classroom materials and fees, and receipts from intermediate sources.

Note: Excludes Advances.

As seen in the visual above, the District's General Fund was approximately 84.6 percent of total revenue. Of that total, 56.9 percent was comprised of state funding, followed by local funding, which was 27.6 percent. The District receives a higher percentage of total funding from the state compared to the primary peer average.

The chart that follows compares the District's expenditures by category or type such as salaries and benefits. In addition, the chart identifies what portion of expenditures within each category is from the General Fund.

AY 2025 Expenditure Composition Comparison



GF	Other	Total		Category		GF	Other	Total
46.7%	5.8%	**52.5%**		**Salaries**		43.6%	5.0%	**48.5%**
21.2%	2.3%	**23.5%**		**Benefits**		18.1%	1.7%	**19.8%**
12.6%	1.6%	**14.2%**		**Purchased Services**		9.6%	4.5%	**14.0%**
1.6%	2.2%	**3.7%**		**Supplies & Materials**		2.9%	2.9%	**5.8%**
2.4%	3.6%	**6.1%**		**Capital & Other**		1.9%	10.0%	**11.9%**
84.5%	**15.5%**	**100.0%**		**Total**		**76.1%**	**24.1%**	**100.0%**

Source: BCSD, Primary Peers, & ODEW

Note: Due to rounding, revenue categories may not sum up to the total listed.

Note: Other category includes expenditures such as debt retirement, principal interest, and payment of dues and fees.

Note: Excludes Advances.

As seen in the visual above, personnel expenditures comprised of salaries and benefits across all funds made up 76.0 percent of total expenditures. Purchased services made up 14.2 percent of total expenditures, and was comprised primarily of professional and technical services, property services, and utilities.

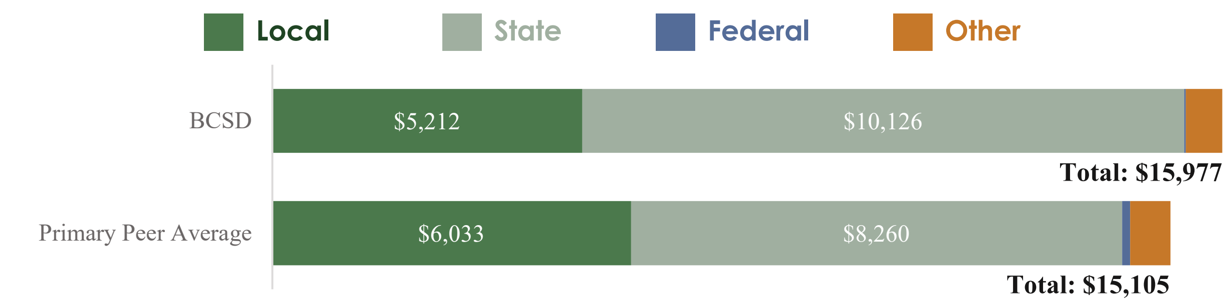
Per Pupil Analysis

This section analyzes revenues and expenditures on a per pupil basis. Revenues and expenditures are divided by the FTE enrollment to normalize peer district comparisons (see **Appendix C**).

Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. Because our audit focuses on the projected deficit in the financial forecast, we reviewed only the forecasted fund revenues for this purpose.[29] In AY 2025, the District received approximately $15,977 per pupil, with 32.6 percent, or approximately $5,211, coming from local taxes.[30] In AY 2025, the primary peer average revenue per pupil was $15,105 with 39.9 percent, or approximately $6,032, coming from local taxes. The District's local revenue was lower than the primary peer average in AY 2025.

AY 2025 General Fund Revenues Per Pupil



Source: BCSD, Primary Peers, and ODEW
Note: Excludes certain funds, object codes, and function codes. **See Appendix B** for all fund activity and more details regarding exclusions.

Expenditures per Pupil

Several of our comparisons are made on a per-pupil basis. This is done to normalize the variation in size between peer districts. The table below shows the District's spending on a per-pupil basis in several key areas. It also shows the differences between the types of funds from which expenditures are made. For example, most salaries and wages are paid from the General Fund, whereas the majority of supplies and materials expenses are paid from non-General Fund dollars.

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[29] Forecasted funds include the District's General Fund and funds derived from emergency levies.
[30] The Cupp Report, issued by ODEW, provides information on all revenues received by a district. Because of this, the percentage of revenues from local revenues in the Cupp report may vary from the amount in our report due to the inclusion of additional revenues.

AY 2025 Expenditure per Pupil by Object Code

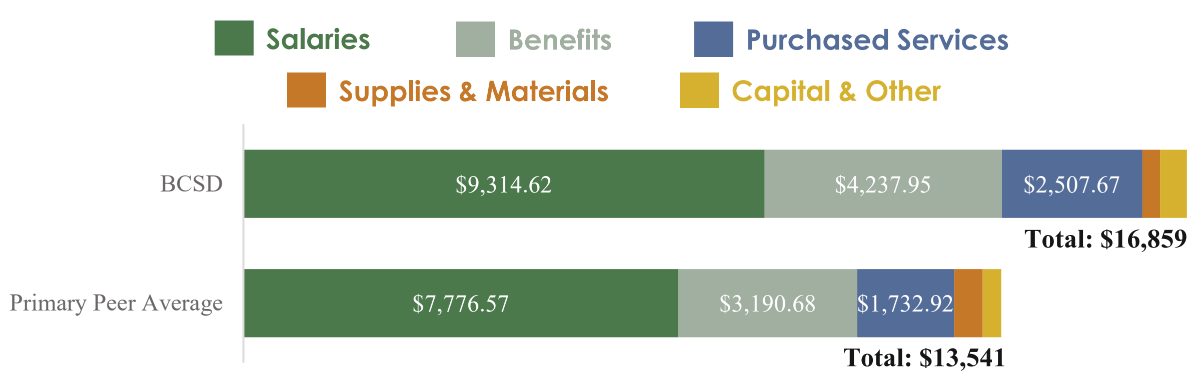
Object	General Fund	Other Funds	All Funds
Salaries	$9,315	$1,161	$10,476
Benefits	$4,238	$451	$4,689
Purchased Services	$2,508	$318	$2,826
Supplies & Materials	$317	$430	$747
Capital & Other	$482	$728	$1,210
Total	**$16,859**	**$3,089**	**$19,948**

Source: BCSD, Primary Peers, & ODEW
Note: Due to rounding, expenditure categories may not sum up to the total listed.
Note: Excludes Advances.

In AY 2025, BCSD spent approximately $19,948 per pupil from all funds. By comparison, the primary peer average expenditure per pupil across all funds was approximately $18,079. The District's spending per pupil was higher than the peer average for salaries, benefits, and purchased services. BCSD spent approximately $16,859 per pupil from the General Fund, which is 24.5 percent higher when compared to the primary peer average of $13,541 per pupil. We analyzed General Fund expenditures since they are tied to the financial forecast.

The District spent more than the primary peer average on employee salaries and wages, employee benefits, and purchased services. The District spent less than the primary peer average on supplies and materials and capital and other.[31] The chart that follows provides a comparison of expenditures per pupil for BCSD and the primary peer average.

AY 2025 Total General Fund Expenditures Per Pupil



Source: BCSD, Primary Peers, and ODEW
Note: Excludes certain funds, object codes, and function codes. **See Appendix B** for all fund activity and more details regarding exclusions.

[31] The category of "Other Objects" includes things such as interest on loans, memberships in professional organizations, County Board of Education contributions, and various types of non-healthcare insurance. "Other Uses of Funds" mainly consists of transfers, and contingencies within the various accounting dimensions.

The District's higher salaries and wages expenditures may be driven by the District's staffing levels (see **Recommendation 5** and **Recommendation 6**) and salary schedules (see **Recommendation 8)**. The District's higher retirement and insurance benefits expenditures may be driven by the District's insurance plans (see **Recommendation 9)**. In addition, the District's facilities non-regular labor as a percentage of total salaries and wages exceeds the primary peer average (see **Recommendation 10)**.

Results of the Audit

Based on an initial analysis of the District's data as compared to its peer groups, the following scope areas were included for detailed review and further analyses: Financial Management, Human Resources, Facilities, and Food Service (see **Appendix A**). We identified 10 recommendations within these scope areas which would result in reduced expenses and/or improve the District's operational management based on comparisons to industry standards and peer averages.

Summary of Recommendations

	Standard Recommendations	Savings
R.1	**Improve Forecast Practices**	**N/A**
R.2	**Enhance the Budgeting Process**	**N/A**
R.3	**Enhance Formal Plans**	**N/A**
R.4	**Reduce the General Fund Subsidy for Extracurricular Activities**	**$24,000**
R.5	**Eliminate Administrative and Administrative Support Positions above the Peer Average**	**$231,000**
	Reduce 0.50 FTE Central Office Administrator	$41,000
	Reduce 4.00 FTE Central Office Support Staff	$189,000
R.6	**Eliminate Direct Student Support Positions above the Peer Average**	**$295,000**
	Reduce 0.50 FTE Remedial Specialist Staff	$47,000
	Reduce 2.50 FTE Tutor Staff	$83,000
	Reduce 1.00 FTE Other Professional Staff	$61,000
	Reduce 7.00 FTE Classroom Support Staff	$102,000
R.7	**Align Employer Insurance Costs with the SERB Regional Average**	**$406,000**
R.8	**Renegotiate Collective Bargaining Agreement Provisions**	**TBD**
R.9	**Align Salary Schedules**	**TBD**
R.10	**Monitor Foodservice Operations**	**$7,000**
	Total Cost Savings from Performance Audit Recommendations	**$963,000**
	Less: Non-General Fund portion of Insurance Costs	$20,000
	Less: Monitor Foodservice Operations to Ensure Financial Sustainability	$7,000
	Total General Fund Cost Savings from Performance Audit Recommendations	**$936,000**

Note: These numbers reflect the average annual savings of each recommendation over the forecast period. Some recommendations may not be implemented in all years of the period and have lower average annual savings compared to what is presented in the recommendation itself. Where appropriate, the timing of implementation is discussed in the recommendation language in the report.

Note: During the course of the audit, the District's financial recovery plan included steps to reduce facilities non-regular labor expenditures that are already included in the March forecast.

Our recommendations are based on industry standards and peer comparisons and are projected to save the District an average of approximately $936,000 annually, if fully implemented. This is an average savings over the four-year forecast period. It should be noted that some recommendations may not be implemented immediately due to timing.[32]

The financial impact of these recommendations on the projected results of operations in the March 2026 forecast is shown in the following table. This table shows the impact of the estimated average annual savings of the recommendations, for the years of implementation, on the District's projected annual spending. As seen in the table, the identified savings will not fully address the projected deficit spending in the forecast period.

Results of the Audit Recommendations (March 2026 Forecast - Line 6.010)

	AY 2026	AY 2027	AY 2028	AY 2029
Original Results of Operations (Line 6.010)	($10,871,054)	($6,561,359)	($7,324,540)	($9,508,493)
In Year Recommendation Savings	**$0**	**$0**	**$1,592,375**	**$2,154,017**
Revised Results of Operations (Line 6.010)	**($10,871,054)**	**($6,561,359)**	**($5,732,165)**	**($7,354,476)**

Source: ODEW and AOS

The District's March 2026 forecast projected expenditures to exceed revenues in each year of the forecast period. As seen in the table below, the estimated savings from implementing the recommendations in the report would not fully address the projected deficit over the course of the forecast period.

Results of the Audit Recommendations (March 2026 Forecast - Line 12.010)

	AY 2026	AY 2027	AY 2028	AY 2029
Revised Starting Cash Balance (Line 7.010)	$13,278,197	$2,407,143	($4,154,216)	($9,886,381)
Revised Results of Operations (Line 6.010)	($10,871,054)	($6,561,359)	($5,732,165)	($7,354,476)
Revised Ending Cash Balance (Line 7.020)	**$2,407,143**	**($4,154,216)**	**($9,886,381)**	**($17,240,857)**
Estimated Encumbrances (Line 8.010)	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Fund Balance June 30 for Certification of Appropriations (Line 10.010)	**$907,143**	**($5,654,216)**	**($11,386,381)**	**($18,740,857)**
Revised Ending Fund Balance (Line 12.010)	**$907,143**	**($5,654,216)**	**($11,386,381)**	**($18,740,857)**

Source: ODEW and AOS

32 In this audit, approximately $3.7 million in total cost savings were identified in AY 2028 and AY 2029. It is possible that the BCSD officials could implement recommendations sooner, but those decisions could have significant impacts on overall District operations. Officials should work with the District's legal counsel on these options.

As seen in the table above, if all recommendations were fully implemented, the District's ending fund balance would continue to be depleted, but less so than without the recommendation savings. In AY 2026, the fund balance would be $907,143, or 1.8 percent of total forecasted revenue. By AY 2029, due to continued deficit spending, the District's available balance would be depleted and the resulting fund deficit would be approximately $18.7 million, or 36.9 percent of total forecasted revenue.

The District's current financial condition is such that implementation of the recommendations identified using industry standards and peer comparisons would not fully address the projected deficit. As a result, BCSD officials will need to consider additional cost saving measures. Our audit identified areas where the District could further reduce expenditures by going beyond alignment with peer averages and industry standards. In some cases, these cost saving measures may include reducing services to state minimum levels.

The additional cost saving measures are identified in the table below. The implementation of these measures could change the type or level of services offered by the District. It is important for BCSD officials to carefully consider the needs of the students and families served by the District when implementing any of these additional cost saving measures. These estimated savings reflect the average annual savings that could be achieved in AY 2028 through the remainder of the forecast period.

	Additional Recommendations	Savings
R.11	**Eliminate the General Fund Subsidy for Extracurricular Activities**	**$1,335,000**
R.12	**Eliminate 6.0 FTE Building Administrator Positions**	**$842,000**
R.13	**Eliminate 27.0 FTE Teacher Positions**	**$3,078,000**
R.14	**Implement a Base and Salary Step Freeze**	**$818,000**

The amount of savings realized from staffing reductions identified in **Recommendation 12** and **Recommendation 13** would be dependent on a variety of factors including the number of positions that are eliminated along with the impact of the implementation of other cost-saving measures identified in this report or by the District itself. Our estimated savings of approximately $3.9 million for these staffing recommendations are based on reductions to state minimum teaching and building administrator levels and represent the maximum savings possible for these position types.

While aligning with the state minimum standards would change the type and level of services that the District is able to offer, it may be necessary for BCSD. Using the most recent forecast, which was approved in March 2026, the District would not be able to fully eliminate the projected deficit, even if it fully implements all of the 14 standard and additional recommendations contained in this report.

Standard Recommendations

Financial Management

Any organization needs to consider both short-term needs and long-term goals when developing policies and procedures related to financial management. This requires strategic planning in order to identify the best use of available resources. School districts, in particular, must have sound planning processes in place so they can effectively and transparently provide services to their residents. These planning processes and practices should work together and be taken into account when making management decisions. When developing annual budgets and making spending decisions, the District's administration should consider the information presented in the financial forecast. Additionally, large purchases and other expenditures should be planned for through long-term strategic planning that is also tied to the forecast and the annual budget. These practices, when properly adhered to, can help a district to avoid financial distress.

We reviewed BCSD's financial management policies in order to determine if there were areas for improved management.

Recommendation 1: Improve Forecast Practices

Districts are required to submit financial forecasts to ODEW twice annually, and these documents should provide a consistent overview of a district's financial health.[33] The forecast can be used as a tool, along with other fiscal monitoring practices, to ensure district officials proactively manage finances to avoid a state of fiscal distress.

Our review of BCSD's February 2026 forecast found that the District's forecasting process is generally in alignment with best practices. However, our review found that BCSD has a history of prolonged deficit spending which has depleted cash balances. The District has not proactively managed and monitored revenues and expenditures. We further found that the District does not fully incorporate long-term planning, budgeting, and overall operational decisions, into the forecast. The Ohio Association of School Business Officials (OASBO), the Government Finance Officers Association (GFOA), and ODEW provide guidance regarding the development and use of the financial forecast. The District should implement best practices from OASBO, the GFOA, and ODEW to improve its forecast and assumptions.

[33] House Bill 96 of the 136th General Assembly (the biennial budget bill) contained changes to the school forecast, including shifting to a four-year forecast period from a five-year period.

Impact

By implementing forecasting best practices, the District will be better positioned to effectively, transparently, and proactively manage and sufficiently explain its revenues and expenditures. Such management of financials would assist the District in avoiding deficit spending and the resulting negative ending fund balances. Doing so would contribute to an improved financial condition.

Background

School districts in Ohio are required to submit a financial forecast to ODEW twice annually.[34] These forecasts include three years of historical financial data, the current year budget and three years of projections. In addition, the forecasts include notes to explain any significant changes or assumptions used to develop the reported projections. Due to the nature of financial projections, it is likely that the actual results will deviate from the forecast in later years. However, the forecast is a management tool that districts can use to identify future financial trends and proactively manage operations accordingly.

The financial forecast is meant to be a tool that assists with long-range planning and facilitates discussions between the administration, the local board of education, and the community regarding the fiscal health of a district and the financial issues it may be facing. In addition, the forecast identifies a district's ability to maintain personnel and programs. It is also used by ODEW and the Auditor of State to identify districts that may face financial distress.

Due to the District's declining financial condition, we reviewed historical forecasts to identify if there were earlier indicators of financial difficulty. In addition, the historical forecasts allowed us to understand what information had been presented and if BCSD officials were making informed management decisions.

Indicators of financial difficulty would include projected deficit spending, where annual expenditures exceed annual revenues. Many school districts have a cash balance in the General Fund which can allow a district to manage unforeseen expenditures in a given year. However, if consistent deficit spending is projected in a forecast, it could be an indicator of a structural imbalance in the district's operations that necessitates prompt corrective action by the board of education.

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[34] House Bill 96 of the 136th General Assembly (the biennial budget bill) contained changes to the school forecast which included shortening the length of the forecast period to four years and altering the submission date.

Methodology

We interviewed District officials to understand their forecasting process. We also obtained and reviewed the District's May 2025, October 2025, and February 2026 forecasts and assumptions. During the course of the audit, the updated March 2026 forecast was released and so we reviewed the revenues and expenditures in that forecast and compared them to the February 2026 forecast to develop an understanding of variances. We specifically analyzed lines of the forecast that projected significant increases or decreases and then compared those lines to the corresponding assumptions to assess whether those changes were thoroughly documented. Additionally, we developed a historical review of the District's forecast trends to determine how prior years' projections may have impacted their current financial condition.

Once we gained an understanding of BCSD's forecasting process, we compared the District's process to best practices from OASBO, the GFOA, and ODEW to identify opportunities for improving the transparency of future forecasts and assumptions.

Analysis

According to *Five-Year Forecast – Guidance and Best Practices* (OASBO, 2025), the forecast is arguably the most critical financial document at a school district, as it outlines the financial state of the District and helps guide the decision-making process. As a critical financial document and management tool, it is important that a district have formal, written policies in place that clearly outline roles, responsibilities, and expectations. While the Treasurer is responsible for the creation of the forecast, the board of education has ultimate governing authority over the financial processes, with their roles and contributions consisting of the following: approve the forecast (ensure alignment with the District's financial state), represent the community to promote transparency, and guide financial decisions (use forecast to make informed decisions). As such, it is important for both parties to be actively involved in the creation and monitoring of the forecast. In addition, OASBO indicates that the superintendent, district administrators, the community, and other external partners should be involved in the forecasting process. All the stakeholders identified by OASBO have unique expertise and perspectives that can be applied to the forecasting process.

BCSD should incorporate missing best practices from OASBO, ODEW, and the GFOA (see **Appendix C**). The District should also enhance its formal planning and budgeting processes to ensure the District's initiatives strategically align with available financial resources and are sustainable (see **Recommendation 2** and **Recommendation 3**).

Forecast Assumptions

One important document accompanying the forecast is the forecast assumptions. OASBO says that the forecast, without any accompanying documentation, only tells part of the story and is merely a piece of the puzzle. For a forecast to be comprehensively and effectively understood, forecast assumptions are needed to provide context and support. Not only are the assumptions recommended, but they are required by OAC 3301-92-04. Using forecast assumptions, OASBO recommends that districts sufficiently explain significant variations in revenues and expenditures. Explaining significant fluctuations in revenues and expenditures helps to enhance transparency and helps readers understand the “why” behind the projected financials in the forecasts. Examples of general key drivers for fluctuations in forecast lines which may be explained by school districts include, but are not limited to, the following:

- Property Tax Revenue (Line 1.010): This could increase due to reappraisal within the county or expected new developments within the district;
- Personal Services (Line 3.010): This could increase or decrease due to staffing changes or negotiated salary changes;
- Employee Retirement/Insurance Benefits (Line 3.020): This could change due to changes in insurance costs or staffing levels; and,
- Purchased Services (Line 3.030): This could change due to changes in operations, increased utility rates, or changes to contracts.

Generally, the District’s assumptions and explanations for significant fluctuations in the forecast, such as Line 1.010 (General Property Tax) and Line 3.010 (Personal Services), were explained in detail. In reviewing the District’s February 2026 forecast assumptions, the lines related to revenue and expenditures sufficiently explain the key drivers causing deficit spending for Line 6.010 (Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses). The assumptions identify expenditures in excess of revenue and explain corrective actions aligning with the financial recovery plan. Deficit spending is discussed in further detail below.

According to OASBO, when districts review forecasts, it is important to watch for significant fluctuations within the same line. The forecast assumptions should explain any major increases or decreases in detail to help ensure that trends and significant changes such as growing deficits are understood, addressed, and clearly communicated to stakeholders.

Projected Deficit Spending

According to OASBO, the forecast assumptions should explain Line 6.010 (Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses), most notably, if there is deficit spending. Deficit spending may be sustained for short periods due to a district’s cash balance; however, districts should not do so precipitously or allow projected balances to fall below an established threshold, without taking action. As OASBO notes, if deficit spending is significant in the current fiscal year or first few years of the forecast period, it may indicate that a district is operating outside of its means. In any scenario, OASBO indicates that a financial plan is likely necessary to reverse deficit spending and avoid drawing down the cash balance. Further, OASBO notes that early interventions are key to avoiding more disruptive actions in the future.

Actual deficit spending of $1.6 million and $2.7 million was reported in AY 2020 and AY 2021, respectively. In the November 2021 and May 2022 forecasts, although decreasing, positive results of operations were projected in the first year of the forecasts, with deficit spending projected for the remaining forecast period. From the November 2022 forecast to the February 2026 forecast, deficit spending was consistently projected across the entire forecast period. Most recently, actual deficit spending was reported for AY 2023 through AY 2025, ranging from $1.1 million to $5.5 million. The table below shows the forecasted annual results of operations ranging from the November 2021 forecast to the February 2026 forecast. In addition, the District had previously forecasted deficit spending beginning in AY 2019; however, due to federal ESSER funding associated with the COVID-19 pandemic, these deficits were delayed temporarily.

Historical Projected Results of Operations (Forecast Line 6.010)[35]

Forecast	AY 22	AY 23	AY 24	AY 25	AY 26	AY 27	AY 28	AY 29
Nov '21	$2.2M	($1.3M)	($3.9M)	($7.6M)	($9.8M)			
May '22	$1.1M	($2.6M)	($4.7M)	($8.0M)	($10.0M)			
Nov '22		($0.4M)	($2.7M)	($5.3M)	($7.0M)	($8.5M)		
May '23		($1.4M)	($2.9M)	($5.5M)	($7.4M)	($9.1M)		
Nov '23			($0.7M)	($2.3M)	($3.2M)	($5.1M)	($7.1M)	
May '24			($1.7M)	($3.0M)	($4.6M)	($6.5M)	($8.1M)	
Nov '24				($3.4M)	($6.8M)	($7.7M)	($8.9M)	($10.7M)
May '25				($3.6M)	($6.6M)	($6.8M)	($7.2M)	($8.8M)
Oct '25					($10.0M)	($9.5M)	($10.2M)	($11.9M)
Feb '26					($10.9M)	($6.6M)	($7.3M)	($9.5M)

Source: ODEW

Note: The table only contains projected results of operations and excludes actuals.

The February 2026 forecast included savings identified in the fiscal recovery plan. These reductions resulted in a slightly improved financial outlook beginning in AY 2027. These savings include reductions in staffing and purchased services.

According to OASBO, if a forecast is demonstrating deficit spending, then corrective action should also be explained in the assumptions, which the District has done as part of its ODEW

[35] The March 2026 forecast reports projected deficit spending across the entire forecast period beginning with $10.9 million in AY 2026 and ending with $9.0 million in AY 2029.

required financial recovery plan. BCSD generally explains significant increases or decreases in revenues and expenditures, which together, address Line 6.010 (Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses). The District indicated prior forecasts were partially misinformed and reflective of assumptions and projections that provided an inaccurate financial outlook that was not realized until Fall 2025. For example, quantifying and projecting the financial impact of human resources considerations such as union negotiations and staffing turnover were not accurate. In addition, the District used ESSER funding for expenditures associated with regular staff. The impact of shifting these expenses back to the General Fund after ESSER funding expired was not properly considered in the forecast. Personnel expenditures make up 76 percent of the District's total expenditures (see **Fund Composition** section). Personnel is also an operational area where the District exceeds the primary peer average (see **Per Pupil Analysis** section).

Despite the District taking steps to reduce expenditures and improve the forecast outlook, the District is still projecting negative results of operations. The GFOA states that forecasting should play a key role in budgeting and financial decisions. Based on available information, it appears the District has not historically made financial decisions that would most effectively reduce actual and projected deficit spending.

Forecast Monitoring

OASBO also calls for districts to proactively manage revenues and expenditures to avoid deficit spending and ultimately, negative ending fund balances. The optimal method for proactive management is comparing monthly and year-to-date actuals to budgeted appropriations and the forecast. Regular comparison can reveal significant deviations and, if found, allow districts time to engage in corrective action. If there is significant variance, districts should do the following:

- Identify the cause;
- Evaluate the impact;
- Adjust appropriations if necessary;
- Adjust estimated revenues if necessary;
- Communicate with stakeholders; and,
- Adopt a revised forecast.

Similarly, ODEW recommends that districts report and discuss expenditures compared to revenues on a monthly basis. The District indicated that it has not historically routinely monitored actual revenues and expenditures by comparing to budgeted appropriations and the forecast. Moving forward, as part of improving upon the forecasting monitoring process, the District plans to leverage its forecasting software capabilities by using software-generated monthly reports for a more in-depth analysis of its financials. While software can be a valuable tool when forecasting and budgeting, it is critical that the data and information used in this process is accurate or the reports provided by the software will not be useful.

Cash Balance Policy

Maintaining a minimum cash balance helps a district avoid financial difficulties that may arise from unforeseen expenses or reduced revenues. BCSD has a cash balance policy that was adopted in 2015 and requires the maintenance of a cash balance equivalent to at least 60 days of operating expenditures. Should the forecast show deficit spending and declining cash balances that fall below the minimum unreserved cash balance requirement, then the board is required to be notified. Upon notification, the treasurer and superintendent then are required to develop a corrective action plan to reverse deficit spending and declining cash balances. Considering the consistent and prolonged actual and projected deficit spending reflected in prior forecasts and the District's overall resulting financial condition, there is no evidence the policy is being implemented. In prior forecasts, the District recognized, but did not address, the risk of deficit spending and the possibility of eventually becoming noncompliant with the cash balance policy (see **Appendix D**).

OASBO recommends that a district maintain a cash balance equivalent to 90 days or 25 percent of operating expenditures while ODEW recommends a district maintain a balance of 30 to 60 days of operating expenditures. Although the OASBO and ODEW recommended cash balance amounts differ, both ultimately recommend there be a policy outlining the District's requirement to maintain a strategic cash balance. OASBO further recommends districts maintain a maximum cash balance policy to prevent the accumulation of excess reserves.

Conclusion

The District does not comply with all best practices related to forecasting as identified by OASBO, ODEW, or the GFOA. Further, the District does not follow its cash balance policy and has not effectively or proactively managed its finances to avoid deficit spending and negative ending fund balances in its forecasts. By implementing forecasting best practices outlined by OASBO, ODEW, and the GFOA, the District will have the ability to create forecasts that are reliable and provide an accurate representation of the District's true financial state. This is essential information for the governing body to have in order to make sound financial decisions regarding the operations of the District.

Recommendation 2: Enhance the Budgeting Process

To ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, the District should develop a formal written budgeting process that addresses each of the steps and sub-steps outlined in the GFOA best practices.

Impact

By understanding its expected revenues and the resource needs of students and staff, and creating a plan in which received dollars will be allocated to meet those needs, BCSD can ensure that each dollar the District receives is spent thoughtfully to achieve maximum impact. Fully adhering to best practices in school budgeting may help prevent the District from overlooking gaps between its resource acquisition and resource needs.

Background

School district budgets outline the planned distribution of a district's funding for the upcoming academic year based on expected revenues and resource needs of students and staff.

Methodology

We interviewed District officials to understand their annual budgeting process. Once we gained an adequate understanding of BCSD's budgeting process, we compared it to *Best Practices in School Budgeting* (GFOA, 2017). This document provides formal guidance for school district financial administrators to adopt when creating their annual budget.

Analysis

BCSD's current budgeting process is a collaborative effort that involves internal stakeholders discussing the budget and how resources align with the District's goals. The District develops the budget by analyzing and establishing three-year historical expenditure trends to understand the budget appropriations needed moving forward. The budget is tracked and monitored by account code level and meetings are held as necessary to discuss spending and any necessary adjustments that need to be made to stay within the budget. Ultimately, the annual budget is approved by the Board.

After comparing BCSD's budgeting process to the GFOA's best practices, we determined that BCSD adheres to 10 of the 15 budgeting sub-steps, partially adheres to 2 of the sub-steps and does not adhere to 3 of the sub-steps recommended by the GFOA.

GFOA School Budgeting Best Practices

PLAN AND PREPARE	
Meets	Establish a Partnership between the Finance and Instructional Leaders
Meets	Develop Principles and Policies to Guide the Budget Process
Meets	Analyze Current Levels of Student Learning
Partially Meets	Identify Communications Strategy
SET INSTRUCTIONAL PRIORITIES	
Meets	Develop Goals
Meets	Identify Root Cause of Gap between Goal and Current State
Meets	Research and Develop Potential Instructional Priorities
Partially Meets	Evaluate Choices amongst Instructional Priorities
PAY FOR PRIORITIES	
Meets	Applying Cost Analysis to the Budget Process
Meets	Evaluate and Prioritize Use of Resources to Enact the Instructional Priorities
IMPLEMENT PLAN	
Does Not Meet	Develop a Strategic Financial Plan
Does Not Meet	Develop a Plan of Action
Meets	Allocate Resources to Individual School Sites
Does Not Meet	Develop a Budget Presentation
ENSURE SUSTAINABILITY	
Meets	Put Strategies into Practice and Evaluate Results

Source: GFOA and BCSD

The sub-steps labeled as “Partially Meets” and “Does Not Meet” were identified due to two primary reasons. First, the District’s lack of formal long-term planning such as a written strategic financial plan and corresponding action plan that shows how the District plans to pay for things such as instructional priorities. According to the GFOA, “the strategic financial plan outlines the school District’s instructional priorities and over the next 3 to 5 years and how the District will pursue and pay for those priorities. The strategic financial plan is primarily intended to be a communication device, and also, if well-crafted, as an agreement among stakeholders about what defines success in the District and what it takes to be successful.” The strategic financial plan should be consistent with the District’s overall strategic plan (see **Recommendation 3).**

Secondly, although the District demonstrated some communication strategies relating to the budget process, they do not fully satisfy GFOA best practices. The District not only lacks a strategic financial plan that can be used and leveraged as a communication tool, but it typically does not communicate the inputs associated with the budget process and how decisions are made leading up the outputs such as the forecasts. The District does not have a formal budget presentation that is used as a communication tool to inform the community about how its resources are being allocated. GFOA recommends districts organize and maintain a budget presentation to effectively communicate its budget process in five major sections: challenges faced by the district, goals, strategies and initiatives being pursued, the financial plan, and risks to long-term financial sustainability.

According to the GFOA, a school budgeting framework "begins with guidelines for district-wide communication and collaboration, including setting baseline expectations for what the budget process will achieve. The focus then shifts to developing robust goals and integrating the process with the district's strategic plan, including developing a comprehensive package for implementing a district's goals, or instructional priorities."

Conclusion

Budgeting is an extremely important annual process which culminates in the allocation of district resources to reach their goals and positively impact their students. By developing a formal budgeting process that is built on best practices and fully integrated with a strategic plan, BCSD will be able to focus on optimizing student achievement within its available resources. A robust budgeting process encompasses a complete budgeting cycle which includes planning, development, evaluating how the process functions, and adjusting accordingly. Within this process, the District's instructional priorities will provide a guide for decision-making.

Recommendation 3: Enhance Formal Plans

BCSD should develop and enhance formal capital improvement, fleet preventive maintenance, and bus replacement plans, while refining its existing strategic plan and facilities preventive maintenance plan in order to meet financial, programmatic, and operational needs.

Impact

School districts should have multiple formal plans that identify future needs and guide each operational area of the district. It is important that the district has a long-term strategic plan tied to a formal budget and capital plan, as well as a facilities preventive maintenance plan, fleet preventive maintenance plan, and bus replacement plan. This would allow the District to ensure the needs of all operational areas can be met in an efficient and effective manner.

Methodology

We interviewed District officials and confirmed that the District has a formal strategic plan, capital plan, facilities preventive maintenance plan, fleet preventive maintenance plan, and bus replacement plan. We then compared the District's current planning practices to industry standards and best practices to identify opportunities for improvement.

Analysis

Each operational area within the District has specific planning needs which should be considered and included in planning documents. Specific criteria related to each type of plan are addressed below.

Strategic Plan

The GFOA provides guidance to governmental entities in the development and maintenance of effective long-term planning. *Strategic Planning* (GFOA, 2023) defines strategic planning as the "act of articulating where or what an organization wants to be in the future and includes the design of a vision and identification of goals and objectives. It relates to long-term financial planning, developing financial policies, capital improvement planning, and budgeting, but it is inherently different. Each process fulfills a different combination of planning purposes."

Key steps in the strategic planning process include:

- Conduct strategic planning under the organization's chief executive;
- Analyze internal and external environments;
- Identify the most critical problems facing the organization;
- Develop a vision/goal to address each problem;
- Develop strategies to realize your visions;

- Develop tactics to implement strategies;
- Obtain approval of the plan;
- Execute and monitor tactics and strategies; and,
- Continually evaluate and reassess the vision and strategies.

While the District has a formal strategic plan, the plan does not meet all GFOA best practices. The plan does not analyze internal and external environments. The strategic plan also lacks an accompanying strategic financial plan (see **Recommendation 2)**. As BCSD continues to implement its strategic plan, it should ensure these best practices are being met.

Capital Plan

According to *Multi-Year Capital Planning* (GFOA, 2022), public entities should “prepare and adopt comprehensive, fiscally sustainable, and multi-year capital plans to ensure effective management of capital assets.” The GFOA further states that “a prudent multi-year capital plan identifies and prioritizes expected needs based on a strategic plan, established project scope and cost, details estimated amounts of funding from various sources, and projects future operating and maintenance costs.”

The District’s capital plan does not meet all the GFOA best practices for two reasons. First, the plan does not state the funding sources associated with its capital asset priorities and how those priorities will be funded over the covered period. Second, the capital plan is not formally linked to the strategic plan. Although the capital plan is not formally connected to other long-term plans, the District stated it is reviewed concurrently with the strategic plan as well as the forecast to understand its financial impact and the viability of capital projects.

Facilities Preventive Maintenance Plan

According to the *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics, 2003), “a comprehensive facility maintenance program is a school district’s foremost tool for protecting its investment in school facilities and is the cornerstone of any effective maintenance initiative. A good maintenance program is built on the foundation of preventive maintenance. An effective maintenance program begins with an audit of buildings, grounds, and equipment.”

After facilities data has been assembled, structural items and pieces of equipment can be selected for preventive maintenance. Once the items that should receive preventive maintenance are identified, planners must decide on the frequency and type of inspections. Manufacturers’ manuals are a good place to start when developing this schedule; they usually provide guidelines about the frequency of preventive service, as well as a complete list of items that must be maintained. Finally, this information must be formatted so that preventive maintenance tasks can be scheduled easily. Ideally, scheduling should be handled by a computerized maintenance management program; however, tasks can be efficiently managed using a manual system as well.

The District has not completed a facility audit of its buildings, grounds, and equipment as part of its maintenance program to ensure the efficient and effective management of its school facilities.[36]

Fleet Preventive Maintenance Plan

According to the *Public Works Management Practices Manual* (American Public Works Association, 2014), a preventive maintenance program should be developed for all equipment and should include preventive maintenance, recording performance, and monitoring the preventive maintenance program. A fleet preventive maintenance program should address all scheduled maintenance, and the program should be evaluated to ensure its efficacy.

The District's fleet preventive maintenance plan effectively meets all best practices.

Bus Replacement Plan

In *School Bus Replacement Considerations* (NASDPTS, 2002), the National Association of State Directors of Pupil Transportation Services recommends that the timely replacement of school buses should be a planned process. While available funding is a key consideration for the replacement of school buses, there are two other major factors which should be considered:

- First, the need to keep up with federal standards for the safety, fuel efficiency, or exhaust emissions requirements;
- Second, the operating and maintenance expenses on a school bus, or group of school buses.

While the rule of thumb for bus replacement is between 12 and 15 years of age, reviewing maintenance costs for each bus may identify buses that should be replaced sooner or kept in service longer. With accurate and thorough records on the operating and maintenance costs of all school buses in a fleet, a district will have the data necessary to understand when to make replacement decisions.

[36] The NCES describes a facility audit as a data collection process, acquiring data and information specific to capital assets ranging from infrastructure to major equipment. The collected data is to be used to ascertain the current status of capital assets such as their age and plan facility and maintenance efforts accordingly.

Per BCSD's bus replacement plan, buses are planned to be disposed of at 16 years of age. When a school bus nears 12 years of age, the point in its lifecycle where major or more significant body repairs are expected, the District changes its use to a spare bus for approximately 4 years prior to disposal. As of January 2026, the ages of BCSD's buses range from less than 1 year to 16 years.

Overall, the District has a data-driven bus replacement plan that effectively meets all NASDPTS best practices.

Conclusion

Formal plans help an organization address financial, programmatic, and operational needs. By enhancing these plans and tying a formal capital plan to the overall strategic plan, the District will be able to efficiently and effectively allocate its limited resources. In particular, by understanding and mapping out both routine expenditures and large purchases, the District will improve its ability to avoid unexpected or unnecessary expenses.

Recommendation 4: Reduce the General Fund Subsidy for Extracurricular Activities

Impact

Reducing expenditures and increasing revenue to bring the General Fund subsidy percent of total expenditures for extracurricular activities in line with the local peer average would save BCSD an average of approximately $48,000 in each year of implementation.

Note: In AY 2025, the District's General Fund subsidy for extracurricular activities as a percent of total expenditures exceeded the local peer average by $146,000. However, during the course of the audit, BCSD identified a $97,675 reduction in expenditures relating to extracurricular activities in its March 2026 financial recovery plan. This recommendation accounts for those reductions and reflects the remaining savings available when compared to the local peer average.

Background

Extracurricular activities represent student activities falling outside the scope of a typical school curriculum. These activities occur under the guidance or supervision of qualified adults and are designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups – at school events, public events, or a combination of these – for purposes of motivation, enjoyment, and skill improvement. In practice, participation is usually not required, and credit is usually not given. When participation is required, or credit given, the activity is generally considered to be a curricular course.

Extracurricular activities include, but are not limited to, academic-oriented activities (drama, marching band), sport-oriented activities (individual and team sports), and co-curricular activities (student government, yearbook).

Methodology

The District's AY 2025 General Fund subsidy as a percent of total extracurricular activities expenditures were compared to the local peer average.

Analysis

In AY 2025, the District spent approximately $1.9 million on student extracurricular activities, which included the salaries and benefits of directors, coaches, and advisors; supplies and materials; transportation services; awards and prizes; and other miscellaneous expenditures. The District's General Fund subsidy for extracurricular activities expenditures was approximately $1.5 million. Additionally, approximately $325,000 in revenue was generated mostly through ticket sales and tickets for admissions, along with other sources. The District does not charge pay-to-participate fees for extracurricular activities. Of the five local peer districts, three charge pay-to-participate fees.

AY 2025 General Fund Subsidy as a Percent of Actual Expenditures

Barberton CSD	Local Peer Average	Difference
75.2%	65.3%	9.9%

Source: BCSD and Local Peers

The District's General Fund subsidy as a percent of extracurricular expenditures is 75.2 percent compared to the local peer average of 65.3 percent. Aligning the District's General Fund subsidy as a percent of extracurricular expenditures with the local peer average would save approximately $48,000 annually. While it is common for Ohio school districts to subsidize extracurricular activities from the General Fund, doing so at a rate that exceeds the local peer average may represent an undue burden on the District's General Fund.

The District could consider the following steps to reduce expenditures or raise additional revenue to extracurricular activities:

- Implement pay-to-participate fees;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs.

Conclusion

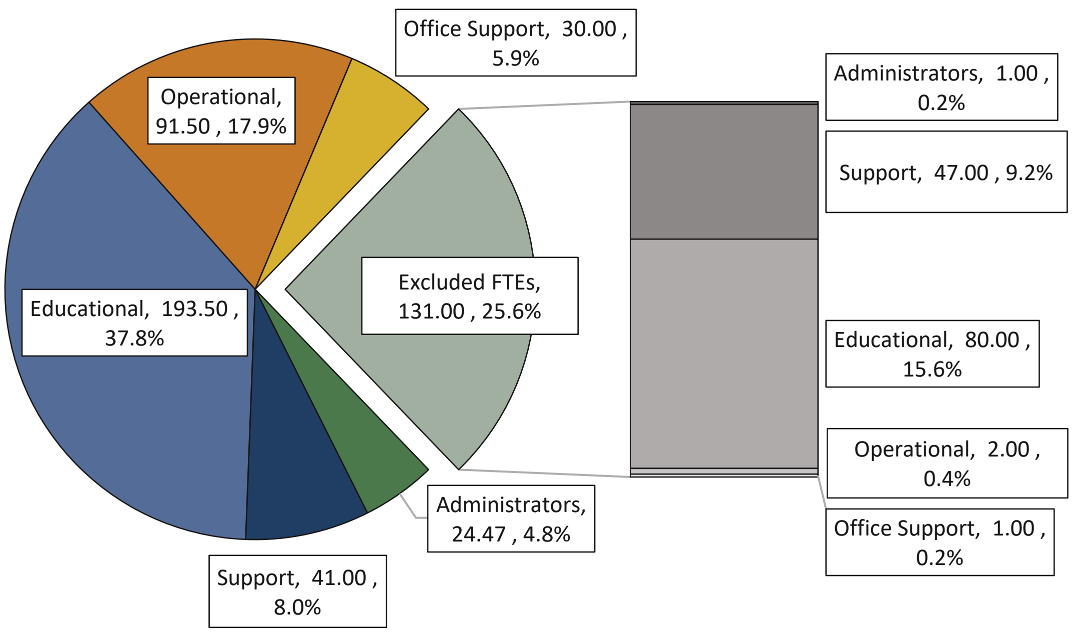
The District's General Fund subsidy of extracurricular activities as a percent of total expenditures is above the local peer average. To close the gap between revenue and expenditures, and in turn alleviate the amount of General Fund support needed, the District should reduce the General Fund subsidy as a percent of total expenditures for extracurricular activities to the local peer average. Doing so would save the District approximately $48,000 in each year of implementation.

Human Resources

Human Resources (HR) expenditures are significant to both the operational and financial conditions within school districts. OPT reviewed BCSD's staffing levels, CBA provisions, salaries, and insurance offerings and compared them to peer districts.

Personnel costs represent over 76 percent of the District's spending. Due to this, we conducted several analyses relating to the expense associated with maintaining the existing staffing levels. Certain staff were excluded from our analyses due to various legal and contractual requirements that would make reductions difficult. In the chart below there are approximately 131 excluded staff FTEs, which include individuals associated with Special Education, Title I, and preschool programming and make up over 25 percent of the District's total staff FTEs.

FTEs by Category with Excluded FTEs Breakout



Source: BCSD

Recommendation 5: Eliminate Administrative and Administrative Support Positions above the Peer Average

BCSD should consider eliminating administrative and administrative support positions above the primary peer average.

Impact

By reducing administrative and administrative support positions to be in line with the primary peer average, the District could save an average of approximately $462,000 annually beginning in AY 2028.[37]

Background

The District employs individuals in administrative and administrative support positions who are responsible for activities related to the daily operations of the District. While these positions provide support to students and educators at BCSD, the District may be able to reduce some positions based on peer comparisons.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000 student basis.[38] Areas where BCSD could reduce administrative and administrative support positions include:

- 0.5 FTE Central Office Administrator; and
- 4.0 FTE Central Office Support Staff.

Note: At the time of analysis, the District exceeded the primary peer average for staffing in other position categories. However, during the course of the audit, the District took actions in its March 2026 financial recovery plan to reduce staffing levels, effective AY 2027. This recommendation accounts for those staffing reductions and reflects remaining staffing areas where the District employs more staff than the peers.

[37] Calculated savings are based on the salary and benefits of the lowest paid administrators.
[38] A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODEW reporting guidelines.

Central Office Administrator

BCSD employs 11.47 FTEs as central office administrators who are responsible for overseeing various programs and operational areas in the District. These administrators include 1.0 FTE assistant superintendent, 3.0 FTE supervisors and managers, 0.47 FTE coordinators, 4.0 FTE directors, and 3.0 FTE other official/administrative positions. Administrators within this group range from the maintenance and transportation supervisors to the food service, technology and curriculum directors. Overall, this is 0.56 FTEs above the peer average. Eliminating 0.5 FTE central office administrator positions could save an average of approximately $83,000 annually.

Central Office Support Staff

BCSD employs 13.0 FTE central office support staff, which is 5.03 FTEs above the peer average. These are clerical or secretarial positions who work in the central office such as the EMIS Coordinator. Accounting for the 1.0 FTE reduction in the financial recovery plan, the District could eliminate an additional 4.0 FTE central office support staff positions, which could save an average of approximately $378,000 annually.

Conclusion

The District should consider eliminating an additional 4.5 FTEs from its administrative and administrative support positions. Eliminating these positions could save an average of approximately $462,000 annually beginning in AY 2028 and bring staffing to a level consistent with the primary peer average.

Recommendation 6: Eliminate Direct Student Support Positions Above the Peer Average

BCSD should consider eliminating support positions above the primary peer average.

Impact

By reducing support positions to be in line with the primary peer average, the District could save an average of approximately $591,000 annually beginning in AY 2028.[39]

Background

Support positions perform functions that assist students in an educational setting directly in some manner. Based on peer comparisons, BCSD could eliminate support staffing positions.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000 student basis. Areas where BCSD could reduce support positions include:

- 0.5 FTE Remedial Specialist;
- 2.5 FTE Tutor/Small Group Instructors;
- 1.0 FTE Other Professional - Educational Staff; and,
- 7.0 FTE Classroom Support Staff.

Note: At the time of analysis, the District exceeded the primary peer average for staffing in other position categories. However, during the course of the audit, the District took actions in its March 2026 financial recovery plan to reduce staffing levels, effective AY 2027. This recommendation accounts for those staffing reductions and reflects remaining staffing areas where the District employs more staff than the peers.

Remedial Specialist

At the time of the analysis, BCSD employed 5.0 FTE remedial specialists, which is 1.55 FTEs above the peer average. Accounting for the 1.0 FTE reduction in the financial recovery plan, the District could eliminate an additional 0.5 FTE remedial specialist positions, which could save the District an average of approximately $94,000 annually.

[39] Calculated savings are based on the salary and benefits of the lowest paid administrators.

Tutor/Small Group Instructors

BCSD employs 7.0 FTE tutor/small group instructors, which is 3.54 FTEs above the peer average. Accounting for the 1.0 FTE reduction in the financial recovery plan, the District could eliminate an additional 2.5 FTE tutor/small group instructor positions, which could save the District an average of approximately $167,000 annually.

Other Professional - Educational Staff

BCSD employs 4.0 FTE other professional – educational staff comprised of instructional coaches, which is 1.12 FTEs above the peer average. Eliminating 1.0 FTE other professional - educational staff positions could save an average of approximately $123,000 annually.

Classroom Support Staff

BCSD employs 37.0 FTE classroom support staff, which is 26.23 FTEs above the peer average. Accounting for 19.0 FTE reduction in the financial recovery plan, the District could eliminate an additional 7.0 FTE classroom support positions, which could save the District an average of approximately $205,000 annually.

Note: During the course of the audit, the District identified 3.0 FTE additional classroom support staff reductions following the release of the March 2026 forecast. The reductions were implemented by not filling open positions resulting from attrition.

Conclusion

The District should consider eliminating an additional 11.0 FTE direct student support positions. Eliminating these positions could save an average of approximately $591,000 annually beginning in AY 2028 and bring staffing to a level consistent with the primary peer average.

Recommendation 7: Renegotiate Select Collective Bargaining Agreement Provisions

BCSD should renegotiate and align its collective bargaining agreement (CBA) provisions with ORC requirements and local peer districts in order to reduce future expenditures and decrease the risk for future liabilities.

Impact

While there is no identified financial implication for this recommendation, the District's certificated and classified CBAs contain certain provisions which may increase future liabilities.

Background

BCSD maintains three CBAs:

- Barberton Education Association, representing certificated staff, effective through June 27, 2027;
- American Federation of State, County, and Municipal Employees (AFSCME) and Ohio Association of Public School Employees (OAPSE) Local #140, representing classified staff, effective through June 30, 2027; and,
- AFSCME Local #265 and Ohio Council #8, representing classified staff, effective through June 30, 2028.

Methodology

CBAs for the District and local peer districts were obtained from the State Employment Relations Board (SERB). When updated contracts were unavailable from SERB, they were obtained directly from peer districts. BCSD's CBAs were then analyzed and compared to ORC requirements and local peer districts' CBAs to highlight any overly generous provisions or potential opportunities to reduce costs or increase operational efficiency.

Analysis

Class Size/Class Load Compensation: Under the District's certificated CBA, when enrollment exceeds the class size limit, teaching staff shall receive an additional $1,500 for every additional pupil above the maximum class size. The maximum number of students allowed per class is determined by grade band and ranges from 23 students to 30 students. Overall, a teacher is allowed to receive additional compensation for up to two additional pupils. None of the local peer districts offer a similar provision and it is not required by the ORC. The District advised that no teaching staff have qualified for additional compensation in recent years.

Attendance Recognition Pay/Sick Leave Bonus: Under the District's classified and certificated CBAs, employees who use a limited number of sick and personal leave days shall receive bonuses. The provisions are not required by the ORC and one of the local peers offer a similar provision.

Per the District's certificated CBA, employees who use zero days of sick leave in a semester qualify for a $300 bonus, with possible total maximum payout of $600 per year. Certificated employees who use one-half to three sick days during a semester receive a $150 bonus, with a total possible maximum payout of $300. In AY 2025, the total payout for this provision was approximately $25,000, exceeding the AY 2024 total payout by 462 percent. Prior to AY 2025 in previous CBAs, the $150 payout was not a negotiated part of the provision and therefore payouts were lower in prior years.

Under the District's AFSCME classified CBA, employees who do not use any days of sick leave and/or personal leave may receive additional compensation of up to 15 hours of work at the employee's regular rate of pay according to the salary schedule. One of the local peers offers a similar provision in their classified CBAs. On average, BCSD spends approximately $3,910 annually.

Finally, under the District's OAPSE classified CBA, employees who use zero to three sick days annually qualify for a single bonus of $600, whereas those who use no more than four days receive a $150 bonus. One of the local peers offers a similar provision. The District's average annual payout is $6,095.

Commercial Driver's License (CDL) Incentive Pay: Within the OAPSE classified CBA, bus drivers who hold a CDL receive an additional monthly payment of up to $300, whereas those working toward acquiring their CDL receive a monthly payment of $200. AY 2025 was the first year that the incentive pay provision was implemented, resulting in a total payout of approximately $59,810. The provision was negotiated with the intention of improving attraction and retention rates. The District indicated there is no evidence that the incentive has helped to increase bus driver retention rates. The CDL incentive pay is in addition to the bus driver total 30-year career compensation, which exceeds the local peer average (see **Recommendation 8**).

Conclusion

The District has negotiated CBA provisions or offered benefits to its certificated and classified staff that exceed ORC requirements and local peer averages. BCSD should consider renegotiating the provisions discussed above in order to provide cost savings and reduce potential liabilities.

Recommendation 8: Align Salary Schedules

BCSD should align its certificated and classified salary schedules with the local peer average.

Impact

While cost savings are not calculated for this recommendation, aligning the certificated and classified salary schedules to the local peer average would result in future cost savings and allow the District to improve its overall fiscal condition.

Background

The District has CBAs for both certificated and classified employees which contain salary schedules. The certificated CBA is in effect until June 27, 2027. The two classified CBAs (AFSCME and OAPSE) are effective until June 30, 2027, and June 30, 2028, respectively.

Methodology

We used the District's classified and certificated CBAs and corresponding AY 2026 salary schedules for purposes of our analysis. The District's salaries over a 30-year career were reviewed and compared to the local peer average (see **Appendix E**). A 30-year career was chosen since school district salary schedules are generally structured around a 30-year period.

Position categories used in our analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. As such, this analysis did not include all the District's salary schedules. Pay schedules from the peer district CBAs were obtained from the SERB website. When updated contracts and salary schedules were unavailable from SERB, they were obtained directly from peer districts.

Analysis

The following certificated categories, which are based on education level, were identified for salary comparison between the District and the local peers:

- Bachelor's Degree (BA); and,
- Master's Degree (MA).

BCSD has a higher starting salary than the local peer average for BA and MA salary schedules. Overall, the 30-year career compensation for the District exceeds the local peer average for both schedules by 6.6 percent and 7.7 percent, respectively.

The following classified categories were identified for salary comparison between the District and the local peers:

- Bus Driver;
- Cook;
- Secretary;
- Head Building Custodian;
- Custodian; and,
- Maintenance.

BCSD has a higher starting salary than the local peer average in all classified categories analyzed. Further, the 30-year career compensation for the District is higher than the local peer average for all categories examined, except for the cook position, ranging from 4.8 percent to 10.0 percent higher. The cook salary is in line with the peer average.

Aligning salaries with the local peers could be done in a variety of ways including instituting salary freezes or renegotiating new salary schedules for employees.

Conclusion

The salary schedules for the District's certificated and classified employees, for all categories analyzed except the cook position, have a higher 30-year career compensation than the local peer average. To achieve savings, BCSD should align its salaries with the local peer average. Any future savings would affect forecasted funds.

Recommendation 9: Align Employer Insurance Costs with the SERB Regional Average

The District should align its employer costs for medical insurance with the SERB regional average for other school districts. This alignment could be accomplished by increasing employee premium contributions and/or adjusting plan designs.

Impact

Aligning employer medical insurance costs would reduce expenditures and result in average annual savings of approximately $812,000 beginning in AY 2028.[40] Due to union contracts which stipulate the employee cost share, these savings could not be implemented until AY 2028.

Background

BCSD is self-insured, but uses the Summit Regional Health Care Consortium as a third-party administrator that manages the administrative tasks for the District's insurance plans. The District offers one Preferred Provider Organization (PPO) medical insurance plan and one High Deductible Health Plan (HDHP). In addition, the District offers dental and vision insurance plans based on an employee's bargaining unit.

One dental plan is available to administrative, certificated, and confidential staff. The monthly premium varies slightly from administrative and certificated staff to confidential staff. Classified AFSCME and OAPSE staff enrolled in the PPO medical plan are eligible for the AFSCME Care Plan, which includes dental and vision coverage fully paid by the District, among other benefits. Employees not receiving vision coverage through the Care Plan may enroll in a separate vision plan but are fully responsible for the monthly premium. All medical, dental, and vision insurance plans have an option for single or family coverage, with the exception of the Care Plan which does not distinguish coverage options.

At the time of analysis, BCSD had 280 enrollees in its PPO family medical plan and 145 enrollees in its PPO single medical plan. There were no enrollees in the HDHP plan. Prescription coverage is included in each medical plan. The District had 193 enrollees in a family dental plan and 95 enrollees in a single dental plan. Additionally, 135 AFSCME employees and 27 OAPSE employees were enrolled in the AFSCME Care Plan. Employee participation was not calculated for vision insurance due to it being fully employee-paid.

[40] Of this total, approximately $40,000 in annual savings, beginning in AY 2028, would not impact the General Fund, but would impact other funds, such as the Food Service Fund.

Methodology

We compared the District's medical, dental, and vision insurance provisions and costs to the SERB regional average for school districts. Peer information was obtained from the 2025 SERB survey.[41] The District's medical plans were compared to 87 plans, the dental plans were compared to 71 regional peers, and the vision plans were compared to 48 regional peers. The peer average excluded outlier districts whose plans were more than two standard deviations outside the mean. Using the District's assumptions for increases to annual insurance costs, we then projected potential cost savings over the course of the forecast period.

Analysis

The District offers medical, combined with prescription, as well as dental and vision coverage to its full-time and part-time employees. These insurance benefits are specified in the District's benefit guides and/or CBAs for those that are part of a bargaining unit. Eligibility is determined based on hours worked per week, which varies for certificated, classified AFSCME, and classified OAPSE employees. The insurance premium, or cost of obtaining insurance, is split between the District and the employee on a percentage basis as determined by an employee's bargaining unit.

Dental and Vision Insurance

Our analysis of the District's dental insurance plan found that administrative and certificated single and family employer costs and contribution rates were less than the regional peer average. For confidential staff, the single and family employer cost was less than the regional peer average and the employer contribution rate was in line. The District's vision insurance costs were below the regional peer average since employees are fully responsible for the monthly premium cost.

Our analysis of the AFSCME Care Plan found that employer contributions for AFSCME staff are slightly above but generally in line with the regional peer average for single coverage, and below the peer average for family coverage. Employer contributions for OAPSE staff are below the regional peer average for both single and family coverage.

Medical Insurance

Our review of the District's PPO plan found that the coverage and provisions such as copayments, deductibles, and out-of-pocket maximums are higher, and therefore less generous than the regional peer average. However, the family plan total premium exceeds the regional

[41] The District's medical insurance rates were updated for AY 2026 and therefore we inflated the 2025 SERB data for use in the analysis. Dental insurance rates were not inflated.

peer average by approximately $204 or 8 percent, whereas the single plan total premium is in line. There are several factors that impact premium costs, which include consortium negotiation outcomes, market conditions and volatility, lack of spousal restrictions, as well as healthcare claims history.[42]

According to SERB, there are cost saving measures entities could pursue to reduce insurance costs. These cost saving measures include joining a consortium, implementing worksite wellness programs, offering an opt-out incentive, implementing spousal restrictions, and conducting a dependent eligibility audit. BCSD has already implemented some measures to reduce its insurance costs, including a voluntary wellness program. This program provides financial incentives to employees in the form of lower deductibles and lower out-of-pocket maximums to promote healthy activities. Through this wellness program, employees should be healthier and thus reduce the long-term healthcare costs for the District. Additionally, the District has a spousal restriction that requires spouses to enroll in their own employer-sponsored insurance as primary coverage.

Under the current PPO plan, employer and employee costs and contribution rates vary by employee group. The District pays more for all coverage, with the exception of single administrative and certificated staff. If the District were to maintain the current insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to bring itself in line with the peer average employer premium cost and reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

AY 2026 Monthly Medical Insurance Costs – PPO

		BCSD		Regional Peer Averages		BCSD Adjustment	
BEA & ADMIN.		**Costs**	**% Share**	**Costs**	**% Share**	**Costs**	**% Share**
Single Medical + Rx	District	$931.62	86.5%	$942.22	86.5%	N/A	N/A
	Employee	$145.40	13.5%	$146.53	13.5%	N/A	N/A
Family Medical + Rx	District	$2,451.35	86.5%	$2,272.10	86.4%	$2,272.10	80.2%
	Employee	$382.58	13.5%	$357.06	13.6%	$561.83	19.8%
AFSCME & CONF.							
Single Medical + Rx	District	$989.78	91.9%	$942.22	86.5%	$942.22	87.5%
	Employee	$87.24	8.1%	$146.53	13.5%	$134.80	12.5%
Family Medical + Rx	District	$2,604.38	91.9%	$2,272.10	86.4%	$2,272.10	80.2%
	Employee	$229.55	8.1%	$357.06	13.6%	$561.83	19.8%

[42] Increasing operating costs, most notably claims payouts, and net losses at the Summit County Healthcare Consortium may potentially lead to additional costs being passed on to member school districts in the form of increased premiums.

OAPSE		BCSD Costs	BCSD % Share	Regional Peer Averages Costs	Regional Peer Averages % Share	BCSD Adjustment Costs	BCSD Adjustment % Share
Single Medical + Rx	District	$995.23	92.4%	$942.22	86.5%	$942.22	87.5%
	Employee	$81.79	7.6%	$146.53	13.5%	$134.80	12.5%
Family Medical + Rx	District	$2,618.73	92.4%	$2,272.10	86.4%	$2,272.10	80.2%
	Employee	$215.20	7.6%	$357.06	13.6%	$561.83	19.8%

Source: BCSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a greater portion of the medical premium to its employees. As seen in the table above, except for the BEA and administrator group, the employees enrolled in the single PPO plan would need to pay 12.5 percent, or $134.80, of the monthly premium and employees enrolled in the family PPO plan would need to pay 19.8 percent, or $561.83, of the monthly premium.

We identified potential cost savings associated with bringing the employer insurance costs for the PPO plan in line with the regional peer average. The District has projected a 10 percent annual increase for AY 2027 to AY 2029, the last year of the forecast. The District could save approximately $812,000 annually, beginning in AY 2028, by aligning employer insurance costs with the regional peer group. The District could pursue additional cost reductions by further shifting costs and/or adjusting plan designs.

Conclusion

BCSD should work to bring its employer medical insurance premium costs in line with the SERB regional average. Doing so could result in average annual savings of approximately $812,000. These savings can be realized by shifting premium costs and/or adjusting plan designs. It is important to note that shifting premium costs will require contract negotiations.

Food Service

A district's food service program, or how a district provides meals to students, operates using an enterprise fund, which is like a business account. A well-run program will generate enough revenue to cover the costs associated with the provision of meals. Providing meals to students is a critical component of any school district's operations. The way districts choose to provide and fund food services can have a significant impact on the overall fiscal health of a district.

Recommendation 10: Monitor Food Service Operations

BCSD should monitor food service operations in order to prevent future operational deficits and the need for General Fund subsidies. Continuous monitoring and evaluation of operations can also assist the District in implementing actions for increasing the overall efficiency and effectiveness of food service operations.

Impact

The District's food service program operates using a separate fund that should be self-sustaining. If the fund has a deficit balance, it will require a transfer from the General Fund, which could impact the District's overall fiscal condition. Careful monitoring and evaluation of food service operations can help ensure that expenditures are appropriate. In addition, reducing the total food service daily labor hours by 5.5 hours could save the District an average of approximately $14,000 annually and contribute to a self-sustaining Food Service Fund.

Background

The Food Service Fund is used to pay for the salaries and benefits of food service staff as well as purchasing food and supplies needed to prepare and serve meals. In AY 2026, the District prepared and served meals at its five buildings using a hybrid system of convenience and conventional food service.

Methodology

We conducted interviews with food service staff to understand how the District provides meals to students. Using data from ODEW, we identified the number of meals served from August to January in AY 2026 in order to calculate a meals per labor hour (MPLH) metric to identify the efficiency of food service staffing and operations at the District for AY 2026. We then compared the District's food service labor efficiency to industry standards.

Using District revenue and expenditure data, we assessed Food Service Fund trends and cash balances from AY 2023 to AY 2025. We also assessed meal pricing, student participation, and commodity entitlement usage.

Analysis

The District's food service program experienced operating deficits in AY 2024 and AY 2025. As seen in the following table, the District had an operating deficit of approximately $117,000 in AY 2024, and an operating deficit of approximately $251,000 in AY 2025. These deficits were caused, in part, by equipment upgrades and increased food costs. The operating deficits, however, did not result in an overall Food Service Fund deficit, and did not require transfers from the General Fund. In AY 2025, the District's Food Service Fund had an ending fund balance of approximately $882,000.

Food Service Fund Net Gain/(Loss) History

Total, No Supplements	AY 2023	AY 2024	AY 2025
Revenue	$2,334,768	$2,449,437	$2,284,245
Expenditures	$2,046,868	$2,566,224	$2,534,996
Net Gain/(Loss)	**$287,899**	**($116,787)**	**($250,751)**

Source: BCSD

The increase in expenditures from AY 2023 to AY 2024 and AY 2025 was due to intentionally increased spending to lower and more closely align the ending fund balance to the District's goal of maintaining a fund balance equivalent to three months of operating expenditures. The increased spending was mostly attributed to capital equipment improvements and upgrades. According to 7 CFR § 210.14,[43] a school district shall "limit its net cash resources to an amount that does not exceed three months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency." Further, 7 CFR § 210.19 says that should a district's ending fund balance exceed three months of operating expenditures, the state may require the district to develop a corrective action plan to lower the ending fund balance such as through reducing meal prices.

As part of maintaining a self-sustaining food service program, *School Food and Nutrition Service Management for the 21st Century* (Pannell-Martin and Boettger, 2014), establishes a MPLH benchmark based on the number of meals served and the type of system used for food service.

The District's food service staff currently has seven vacant positions and one temporary position. The District intends to fill the positions with permanent employees, but due to the District's current financial condition, hiring is paused and substitutes are being used. If the

[43] CFR is the Code of Federal Regulations which are the collection of federal laws and statutes.

District were to fill the positions with permanent employees, costs would increase as permanent employees would be eligible for benefits. Since the District is filling the vacancies with substitutes, their labor hours were factored into our staffing analysis. If the positions remained vacant, the District would be operating efficiently compared to the MPLH benchmark.

As of January 2026, BCSD produced an average of 3,115 meal equivalents per day and was staffed with 164.2 labor hours per day. Based on the MPLH benchmark, the District requires 158.47 total daily labor hours, indicating that BCSD operates with approximately 5.7 excess daily labor hours. Eliminating a total of 5.5 daily labor hours from food service operations would reduce salaries and benefits expenditures by approximately $14,000 annually throughout the forecast period. This reduction could be achieved through reducing substitute hours overall or eliminating one substitute position.

In addition to staffing, there are other factors that can contribute to operational deficits. The District should consider other options to prevent the need for a future General Fund subsidy and increase operational efficiency. The Florida Office of Program Policy Analysis & Government Accountability outlines many steps that can be taken including:

- Establish expectations and measures for program performance and cost;
- Develop effective annual budgets and long-term program plans;
- Identify and reduce participation barriers;
- Promote the food service program;
- Maximize the use of USDA commodities; and/or,
- Join purchasing cooperatives to receive quantity discounts.[44]

The District does not engage in formal long-term program planning that considers the food service program's financial condition and corresponds with the District's strategic plan. Without adequate planning, the District may be at risk of not maintaining an appropriate ending fund balance in the Food Service Fund and exceeding federal regulations, which prohibit school districts from accumulating more than three months of operating expenditures without a planned use for the surplus.

While the District should not maintain excessive fund balances for food services, it should be mindful about its spending and maximize available assistance. The USDA provides funds to the District to offset the cost of food purchases, known as commodity dollars. The District can use these dollars to purchase food such as meat, fish, poultry, fruits, cheese, and grains. Based on our analysis, BCSD fully used its commodity dollars from AY 2021 to AY 2024, but used 86

[44] *Best Practices Could Help School Districts Reduce Their Food Service Program Costs*, Florida Office of Program Policy Analysis & Government Accountability, 2009.

percent in AY 2025. As food prices rise, it will be important for the District to continue to utilize this available funding.

Conclusion

The District should align its food service staffing more closely with industry standards. Eliminating 5.5 daily labor hours from food service operations would reduce Food Service Fund expenditures by approximately $14,000 annually throughout the forecast period. This reduction in labor hours would equate to at least one substitute position. The District should also develop formal long-term plans to ensure the program’s goals are being met and an adequate cash balance is being maintained. Lastly, the District should carefully monitor operations and adjust as necessary to ensure the food service program operates efficiently.

Additional Recommendations

As discussed in detail throughout the preceding sections of this report, BCSD could gain efficiencies by aligning its operations with the peer averages and industry standards and implementing the previously identified baseline recommendations. However, the recommendations identified previously in this report, even if fully implemented, would not resolve the projected deficit in the most recent financial forecast. The following recommendations are additional actions that District leadership may need to consider when addressing the current fiscal situation.

Implementing the following additional actions could have a significant impact on the District's operations and instructional activities. However, without additional revenue, the District will need to consider the implementation of these recommendations to work towards becoming fiscally solvent.

Eliminate the General Fund Subsidy for Extracurricular Activities

In order to reduce expenditures, the District could reduce the General Fund subsidy of extracurricular activities (see **Recommendation 4**). To achieve additional savings, the District could consider fully eliminating the subsidy, which would save an additional $1.3 million per year, based on the AY 2025 subsidy level.

While supporting extracurricular activities with the General Fund is a common practice in Ohio, it is not required by law. Implementing this recommendation may impact on the number and quality of programs offered, however, the District's financial condition requires consideration of significant operational changes to remain fiscally solvent.

To fund extracurricular activities without a General Fund subsidy, the District may consider the following options:

- Implement pay-to-participate fees;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs.

Implement a Base and Step Salary Freeze

The District could consider implementing additional salary-related measures in order to achieve additional savings. While **Recommendation 8** addresses the potential to reduce future liabilities by bringing specific certificated and classified salaries in line with the peer average, significant annual savings could be realized by implementing a freeze on all employee salaries.

Due to the expiration of the District's CBAs, the earliest a salary freeze could be implemented is AY 2028. If the District froze salaries at AY 2028 levels for AY 2029, the last year of the forecast, it could realize average annual savings of approximately $818,000.[45]

Eliminate Building Administrator Positions

The District could make additional building administrator staffing reductions as it works to regain fiscal solvency. The state minimum requirement for building administrators identified in OAC 3301-35-05 consists only of the duties of a principal. BCSD could eliminate up to an additional 6.0 FTE building administrators and remain in compliance with state minimum staffing requirements.

BCSD employs a total of 11.0 FTEs in building administrator positions comprised of principals and assistant principals that serve the District's five academic buildings: the preschool, the intermediate school, the primary school, the middle school, and the high school. Using state minimum requirements, the District could eliminate up to an additional 6.0 FTE building administrator positions.

Given the District's financial condition, if this level of reduction becomes necessary, the District should work with ODEW to ensure compliance with the state minimum requirement in OAC 3301-35-05 before reducing building administrator staff. This reduction could save the District an average of approximately $842,000. While this option would provide additional savings each year, it would drastically change service levels within the District.

Eliminate Teacher Positions

If the District successfully implements all the standard recommendations along with all the previously identified additional recommendations, it will not be able to fully resolve the projected deficit in the March 2026 forecast. In addition, some of the previously identified standard and additional recommendations are subject to contract negotiations and may be difficult for the District to achieve. Although this will not fully resolve the projected deficit in the

[45] The savings identified in this recommendation do not take into account recommended staffing reductions. If the District were to reduce staffing, actual savings would be reduced.

February forecast, the District will need to consider eliminating teaching positions beyond those already eliminated as part of the District's financial recovery plan.

State law requires that for every 25 students, districts employ at least one classroom teacher, for a student-to-teacher ratio of 25 to 1. In AY 2026, the District had a student-to-teacher ratio of 15.89 to 1.[46] While the District is below the primary peer average for classroom teachers by approximately 5.76 FTEs, it could eliminate up to 57.0 FTE teaching positions and remain within state minimum standards. Since the District has already reduced its teaching staff by 30.0 FTEs due to its financial condition, BCSD could eliminate up to 27.0 FTE additional teaching staff positions. Eliminating 27.0 teaching positions would result in approximately $3.0 million in annual savings but would substantively impact District operations.

BCSD should choose to strategically implement teacher reductions to maximize savings while minimizing the impact on District operations. Ultimately, the total cost savings realized from teacher reductions would be dependent on a variety of factors including the number of positions eliminated, the tenure of the individuals, and the impact of other potential cost saving measures.

If the District decides to pursue reductions to state minimum teacher requirements, it should work with ODEW to ensure compliance with the state minimum requirement in OAC 3301-35-05 before reducing classroom teaching levels.

Note: During the course of the audit, the District identified 1.0 FTE additional teaching staff reduction following the release of the March 2026 forecast. The reductions were implemented by not filling open positions resulting from attrition.

[46] The student number used in this ratio represents a regular student population – a formula driven number that reflects students enrolled and educated within the District, excluding categories two through six of special education students. Classroom teachers include K-12 general education teachers as well as art, music, physical education, English language instructional program, and gifted and talented teachers. Preschool teachers, special education teachers, and career-technical teachers are excluded from the ratio (*Source, ODEW*).

Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the District's official statement in regards to this 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.

BARBERTON CITY SCHOOLS

Empowering every student to achieve their highest potential.

July 13, 2026

Auditor Keith Faber
Ohio Auditor of State
65 East State Street
Columbus, OH 43215

Subject: Barberton City School District- Response to performance audit

Dear Auditor Faber,

The Barberton City School District appreciates the time and effort devoted by the Auditor of State's Performance Audit staff in conducting this review. The District believes the report provides several constructive recommendations that will assist in its ongoing efforts to restore long-term financial stability.

Please find our response below.

Sincerely,

Jason Ondrus

Mr. Jason Ondrus
Superintendent Barberton City Schools

Jennifer Sudhoff

Mrs. Jennifer Sudhoff
Treasurer Barberton City Schools

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DO YOUR JOB

Barberton City School District

Responses to Auditor of State Performance Audit Recommendations

Recommendation 1 – Improve Forecast Practices

In Fiscal Year 2026, the District has strengthened its forecasting process by implementing a monthly financial reporting process that compares forecasted revenues and expenditures to actual financial results. This process allows the Board of Education and administration to monitor budget performance throughout the year, identify emerging trends, and make timely adjustments when variances occur. In addition, forecast assumptions regarding staffing, compensation, benefits, enrollment, state funding, and other significant revenue and expenditure assumptions are reviewed regularly as part of this ongoing monitoring process.

The enhanced monthly monitoring process has improved the accuracy and transparency of the District's financial forecasting and will continue to evolve as additional financial information becomes available. The Treasurer's Office remains committed to identifying emerging financial trends as early as possible so that corrective action can be implemented promptly.

Recommendation 2 – Enhance the Budgeting Process

In Fiscal Year 2026, the District significantly enhanced its annual budgeting process by placing a heightened emphasis on the District's current General Fund financial condition. Budget requests are evaluated using historical spending trends, anticipated operational needs, enrollment projections, staffing requirements, and available financial resources.

The primary objective of the budget development process is to reduce annual General Fund expenditures below recurring revenues and eliminate deficit spending. Every expenditure request is carefully evaluated to determine whether it is necessary to support the District's educational mission while recognizing the financial constraints facing the District. This disciplined budgeting process is intended to improve the District's long-term financial condition and move the District toward structural budget balance.

Recommendation 3 – Enhance Formal Plans

In Fiscal Year 2026, the District's planning efforts have been focused on restoring the District's financial stability. The District's Five-Year Financial Forecast and Financial Recovery Plan serve as the primary long-range planning documents and are developed in alignment with one another to ensure that financial assumptions, expenditure reductions, staffing decisions, and operational priorities remain consistent.

The Financial Recovery Plan is reviewed and updated as financial conditions change and serves as the roadmap for returning the District to fiscal stability. At this stage of the District's recovery, administration believes that maintaining disciplined long-range financial planning is the highest priority. As the District achieves financial stability, it will be in a better position to expand its long-range planning efforts to include broader strategic initiatives supported by sustainable financial resources.

Recommendation 4 – Reduce the General Fund Subsidy for Extracurricular Activities

The District agrees that extracurricular activities should be operated in a fiscally responsible manner and that General Fund subsidies should be minimized whenever practical.

In Fiscal Year 2026, the District completed a comprehensive review of its athletic and extracurricular accounts and significantly consolidated those accounts to improve financial oversight, accountability, and budgetary control. As part of the Fiscal Year 2027 budget development process, appropriations for athletic and extracurricular programs were reduced and aligned with estimated revenues to better ensure that program expenditures are supported by the revenues generated by those activities.

The District recognizes that extracurricular activities are an important extension of the educational experience and contribute significantly to student engagement and school culture. The District will continue monitoring program revenues and expenditures and will make adjustments as necessary to minimize General Fund support while preserving opportunities for student participation.

Recommendation 5 – Eliminate Administrative and Administrative Support Positions Above the Peer Average

The District agrees that administrative staffing levels should be periodically evaluated to ensure that resources are aligned with the District's operational and financial needs.

In Fiscal Year 2026, the District implemented significant reductions in administrative and administrative support staffing as part of its Financial Recovery Plan. These reductions were made after a comprehensive review of the District's organizational structure and operational responsibilities with the objective of reducing expenditures while maintaining the administrative capacity necessary to support district operations, regulatory compliance, and educational programs.

The District will continue evaluating administrative staffing levels as vacancies occur, responsibilities evolve, and operational efficiencies are identified. While peer district comparisons provide a useful benchmark, staffing decisions will continue to reflect the unique operational requirements of the Barberton City School District and the District's ongoing commitment to restoring long-term financial stability.

Recommendation 6 – Eliminate Direct Student Support Positions Above the Peer Average

The District agrees that direct student support staffing levels should be periodically evaluated to ensure that available resources are aligned with student needs and the District's financial condition.

In Fiscal Year 2026, the District implemented significant reductions in instructional and student support staffing as part of its Financial Recovery Plan. These staffing decisions were made following a comprehensive review of enrollment trends, program requirements, service delivery models, and operational needs while recognizing the District's responsibility to provide a quality educational program and comply with all applicable state and federal requirements.

The District will continue evaluating staffing levels through attrition, retirements, enrollment changes, and program needs to ensure that staffing resources remain aligned with both the educational needs of students and the District's long-term financial recovery.

Recommendation 7 – Renegotiate Select Collective Bargaining Agreement Provisions

The District agrees that collective bargaining agreements should be periodically reviewed to ensure they support the District's long-term financial sustainability while maintaining the District's ability to recruit and retain qualified employees.

In Fiscal Year 2026, the District's financial condition remained the primary consideration in all labor discussions. The District recognizes that employee compensation and benefits represent the largest component of General Fund expenditures and that collectively bargained agreements play a significant role in achieving long-term financial stability.

The recommendations contained in the Performance Audit will be considered during future collective bargaining negotiations. Any modifications to negotiated agreements will occur through the collective bargaining process established under Ohio law, with the objective of balancing fiscal responsibility, operational needs, and the District's commitment to providing high-quality educational services.

Recommendation 8 – Align Salary Schedules

The District agrees that salary schedules should be periodically reviewed to ensure they are financially sustainable while supporting the District's ability to recruit and retain qualified employees.

In Fiscal Year 2026, the District's financial condition has been the primary consideration in evaluating employee compensation. The District recognizes that salary expenditures represent the largest component of General Fund operating costs and that future compensation decisions must reflect both the District's financial capacity and its responsibility to provide high-quality educational services.

Salary schedules are a key component of the collective bargaining process and are reviewed in preparation for negotiations. The recommendations contained in the Performance Audit will be considered as part of that review. Any modifications to salary schedules will occur through the collective bargaining process established under Ohio law and will reflect the District's long-term financial objectives.

Recommendation 9 – Align Employer Insurance Costs with the SERB Regional Average

The District agrees that employee health insurance costs should be periodically reviewed to ensure they remain financially sustainable while continuing to provide competitive employee benefits.

In Fiscal Year 2026, the District's financial condition has been the primary consideration in evaluating employee benefit costs. The District recognizes that healthcare expenditures represent a significant component of General Fund operating costs and that managing these costs is essential to the District's long-term financial recovery.

Employee health insurance benefits are a key component of the collective bargaining process and are reviewed in preparation for negotiations. During Fiscal Year 2027, the District plans to conduct a comprehensive review of its entire healthcare benefits package to identify opportunities to improve long-term financial sustainability while continuing to provide competitive employee benefits. The recommendations contained in the Performance Audit will be considered as part of that review. Any modifications to employee health insurance benefits will occur through the collective bargaining process established under Ohio law.

Recommendation 10 – Monitor Food Service Operations

The District has consistently monitored the financial performance of its Food Service Fund and is committed to maintaining its long-term financial sustainability. **The District has not transferred General Fund resources to support Food Service operations during the past ten fiscal years**, demonstrating that the program has operated as a financially self-supporting enterprise.

Beginning in Fiscal Year 2026, the District implemented the **Community Eligibility Provision (CEP)**, which provides meals to all students while maximizing available federal reimbursement opportunities. The District will continue monitoring Food Service revenues, expenditures, staffing levels, meal participation, and federal reimbursement activity to ensure the program remains financially sustainable and operationally efficient.

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and 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.

Generally Accepted Government Auditing Standards (GAGAS) 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.

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

Audit Scope and Objectives

In all fiscal distress school audits, preliminary review is conducted to identify operational areas that may have opportunity for improved efficiency and effectiveness. In this audit, the following areas were considered for analysis, but ultimately not chosen due to the available data and preliminary analysis:

- Bus Utilization;
- Fleet Security;
- Building Utilization; and,
- Facilities Expenditures.

In order to provide the District with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Financial Management	
Are the District's forecasting practices consistent with leading practices and is the forecast reasonable and supported?	**R.1**
Are the District's budgeting practices consistent with leading practices?	**R.2**
Are the District's planning practices consistent with leading practices?	**R.3**
Is the District's General Fund subsidy of extracurricular activities comparable to peers and appropriate based on its financial condition?	**R.4, Additional Recommendation**
Human Resources	
Are the District's staffing levels comparable to peers and appropriate based on its financial condition?	**R.5, R.6, Additional Recommendations**
Are the District's health insurance costs comparable to other school districts within the region?	**R.9**
Are the District's salaries and wages comparable to local peers and appropriate based on its financial condition?	**R.8, Additional Recommendation**
Are the District's collective bargaining agreement provisions comparable to local peers and/or applicable statutory requirements?	**R.7**
Facilities	
Are the District's facilities staffing levels comparable to industry standards?	**No Recommendation:** The District's facilities staffing is in line with the industry benchmark.
Are the District's facilities non-regular labor expenditures comparable to peers and leading practices?	**No Recommendation:** After taking action to reduce facilities non-regular labor hours, the District's

	facilities non-regular labor expenditures are comparable to peers and leading practices
Food Service	
Is the District's food service program operated in a manner consistent with leading practices and appropriate based on its financial condition?	**R.10**

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. The following internal control components and underlying principles were relevant to our audit objectives:[47]

- Control environment
    - We considered the District's control of its EMIS and payroll systems.
- Risk Assessment
    - We considered the District's activities to assess fraud risks.
- Control Activities
    - We considered the District's compliance with applicable laws and contracts.

Internal control deficiencies were not identified during the course of this audit.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of District's 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, two 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

[47] We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G.

relatively lower per-pupil spending and similar academic performance. A “Local Peers” set was selected for a comparison of the General Fund subsidy of extracurricular activities, compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions The list below shows the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- Austintown Local School District (Mahoning County)
- Defiance City School District (Defiance County)
- Fairborn City School District (Greene County)
- Fremont City School District (Sandusky County)
- Piqua City School District (Miami County)
- Steubenville City School District (Jefferson County)
- Tecumseh Local School District (Clark County)
- Xenia Community City School District (Greene County)

Local Peers

- Akron City School District (Summit County)
- Chippewa Local School District (Wayne County)
- Coventry Local School District (Summit County)
- Manchester Local School District (Summit County)
- Northwest Local School District (Stark County)

Where reasonable and appropriate, peer districts were used for comparison. However, industry standards or leading practices were used in some operational areas for primary comparison. District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed. Each recommendation in this report describes the specific methodology and criteria used to reach our conclusions.

Appendix B: Financial Background

In addition to the financial analyses previously presented throughout the report, we conducted additional review of the District's finances compared to peers. This information is provided to give a deeper understanding of the current financial condition of the District.

February 2026 Forecast

Due to the District's projected financial condition in its October 2025 forecast, BCSD was required to submit a written financial recovery plan along with its semi-annual February forecast. The February forecast showed a significant improvement when compared to October 2025; in part due to staffing-related and purchased services expenditure reductions, but primarily due to the inclusion of new levy money, which ultimately was not approved by voters.

Financial Condition Overview (February 2026 Forecast)

	AY 2026	AY 2027	AY 2028	AY 2029
Total Revenue	$51,834,733	$50,798,930	$50,805,499	$50,760,238
Total Expenditures	$62,705,787	$57,360,289	$58,130,039	$60,268,731
Results of Operations	**($10,871,054)**	**($6,561,359)**	**($7,324,540)**	**($9,508,493)**
Beginning Cash Balance	$13,278,197	$2,407,143	($4,154,217)	($11,478,756)
Ending Cash Balance	**$2,407,143**	**($4,154,217)**	**($11,478,756)**	**($20,987,249)**
Encumbrances	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Fund Balance	**$907,143**	**($5,654,217)**	**($12,978,756)**	**($22,487,249)**
Cumulative Balance of New Levies	$0	$2,994,578	$8,996,025	$15,022,054
Ending Fund Balance	**$907,143**	**($2,659,639)**	**($3,982,731)**	**($7,465,195)**

Source: ODEW

As seen in the table above, the forecast showed negative results of operations throughout the forecast period. Based on projected deficit spending, the District projected a negative ending cash balance of approximately $21.0 million and a negative ending fund balance of approximately $22.5 million by AY 2029. The table further shows the projected cumulative balance associated with the 11-mill continuing general property tax levy on the May 2026 ballot, which ultimately failed.

District AY 2025 Financial Accounts

This section of the report summarizes financial activity across all district funds, including revenues, expenditures, transfers, and other financing uses. Districts may pay for the same services using different funding sources, such as local funds, grants, or special use funds. To support fair comparison of overall activity and services delivered, all funds and funding sources are included, regardless of how that activity is financed. Because money can move between funds before it is ultimately spent, the same dollar may appear more than once as it flows through the system. For this reason, totals shown in this section of the report reflect gross financial activity, not unique dollars received from outside sources.[48]

The following table shows the Districts AY 2025 financial activities by fund. The District operated with 30 funds in AY 2025. Within this table, recorded receipts, or revenues, and expenditures are identified. In any given year, a particular fund may operate at a deficit or surplus. Further, operating at a deficit may not result in an actual fund deficit due to existing fund balances. By reviewing revenues and expenditures at the fund level, a district can have a more comprehensive understanding of its financial condition.

AY 2025 All Funds Activity

Total Funds	Funds with Revenue	Funds with Expenditures
30	27	26

Fund	Fund Name	Beginning Balance	Receipts	Expenditures	Ending Balance
001	General	$18,770,749.60	$52,001,554.58	$57,494,107.48	$13,278,196.70
002	Debt Retirement	$1,064,953.14	$2,902,822.86	$2,523,261.52	$1,444,514.48
003	Permanent Improvement	$33,095.52	$319,505.77	$348,572.65	$4,028.64
006	Food Services	$1,129,848.32	$2,284,245.43	$2,534,995.99	$879,097.76
007	Special Trust	$34,242.46	$1,900.00	$3,157.71	$32,984.75
009	Uniform Schools Supplies	$12,018.40	$35,302.66	$16,160.72	$31,160.34
011	Rotary Fund - Special Services	$23,882.74	$1,070.00	$0.00	$24,952.74
014	Other Services Rotary (AY 25)	$5,000.43	$660.00	$114.73	$5,545.70
018	Public School Support	$114,967.86	$70,445.15	$77,778.86	$107,634.15
019	Other Grants	$126,697.78	$141,629.15	$174,773.92	$93,553.01
020	Special Enterprise	$95,876.82	$77,961.34	$122,761.12	$51,077.04
022	District Custodial	$2,195.90	$18,376.00	$18,002.33	$2,569.57
024	Employee Benefits Self-Insurance	$188,174.16	$10,594,969.62	$10,585,017.94	$198,125.84
034	Classroom Facilities Maintenance	$1,205,125.44	$319,815.19	$144,579.78	$1,380,360.85
200	Student Managed Student Activity	$158,412.76	$61,531.91	$59,840.86	$160,103.81
300	District Managed Student Activity	$22,909.90	$511,979.47	$442,702.07	$92,187.30
439	Public School Preschool	($8,100.48)	$534,075.44	$595,000.00	($69,025.04)
451	Data Communications for School Buildings	$33,200.12	$7,964.56	$41,164.68	$0.00
459	Ohio Reads	$0.77	$0.00	$0.00	$0.77

[48] The 024 Employee Benefits Self-Insurance Fund is an area where this commonly occurs, as it receives money from the General Fund and other funds for the purpose of paying insurance.

499	Miscellaneous State Grants	($203,079.33)	$1,284,511.21	$1,049,007.38	$32,424.50
507	Elementary and Secondary School Emergency Relief	($645,661.71)	$1,671,479.21	$1,025,817.50	$0.00
510	Coronavirus Relief Fund (CRF)	$807.57	$0.00	$0.00	$807.57
516	IDEA, Part B Special Education … Ages 3-21	($7,719.98)	$854,641.36	$874,632.54	($27,711.16)
533	Title II D - Technology	$45.00	$0.00	$0.00	$45.00
536	Title I School Improvement A	$0.00	$96,964.68	$96,964.68	$0.00
572	Title I - Disadvantaged Children/Targeted Assistance	$17,579.72	$1,568,465.32	$1,580,389.38	$5,655.66
584	Student Support and Academic Enrichment Programs	$12,297.83	$137,544.34	$173,697.61	($23,855.44)
587	IDEA, Part B Special Education … Ages 3-5	$892.09	$21,493.56	$21,493.56	$892.09
590	Improving Teacher Quality	($22,450.88)	$101,326.73	$113,869.74	($34,993.89)
599	Miscellaneous Federal Grants	($6,645.67)	$105,893.97	$112,449.53	($13,201.23)
	Total Funds	**$22,159,316.28**	**$75,728,129.51**	**$80,230,314.28**	**$17,657,131.51**

Source: BCSD

Note: Includes advances, transfers, and other financing activities; Because money can move between funds before it is ultimately spent, the same dollar may appear more than once as it flows through the system (see **Appendix B**)

Revenues and Expenditures Section Exclusions

School districts in Ohio use a uniform accounting system, which allows for financial information to be presented in a similar manner. This system breaks down financial data into dimensions, or categories, which allow for specific detail to be captured. These dimensions are Transaction Indicators, Funds, Functions, and Objects. Transaction Indicators show the types of transactions that occur within a district. Funds are established by constitutional provisions or other statutes to identify how funds may be used. Functions are a broad area of programs, sub-programs and activities which can be used to classify expenditures. Objects further identify expenditures as this can be used to identify the goods or services being obtained by a district. Additional information on school accounting can be found in the Uniform School Accounting System user manual: USAS Manual

To avoid double counting of funds identified in the section above, figures and charts presented in the Revenues and Expenditures section of the report are shown with certain funds, objects, and functions/receipt codes are excluded using ODEW's technical documentation for reporting expenditures and revenue.[49]

[49] "Non-Operating" expenditures, such as adult education, sport oriented extracurricular activities, construction, or interest on debt are excluded in ODEW's reporting, however, are included in this report.

Revenue Exclusions

Funds:

- 002
- 003
- 004
- 005
- 010
- 011
- 012
- 013
- 014
- 017
- 020
- 021
- 022
- 023
- 024
- 025
- 026
- 027
- 028
- 033
- 070
- 071
- 200
- 401
- 406
- 409
- 413
- 414
- 419
- 426
- 450
- 453
- 496
- 498
- 501
- 505
- 535
- 569
- 583

Receipt Code: 5000 - 5399

Expenditure Exclusions

Funds:

- 017
- 021
- 022
- 023
- 024
- 026
- 027
- 028
- 200

Objects:

- 470-479
- 810-819
- 881
- 891
- 900-969

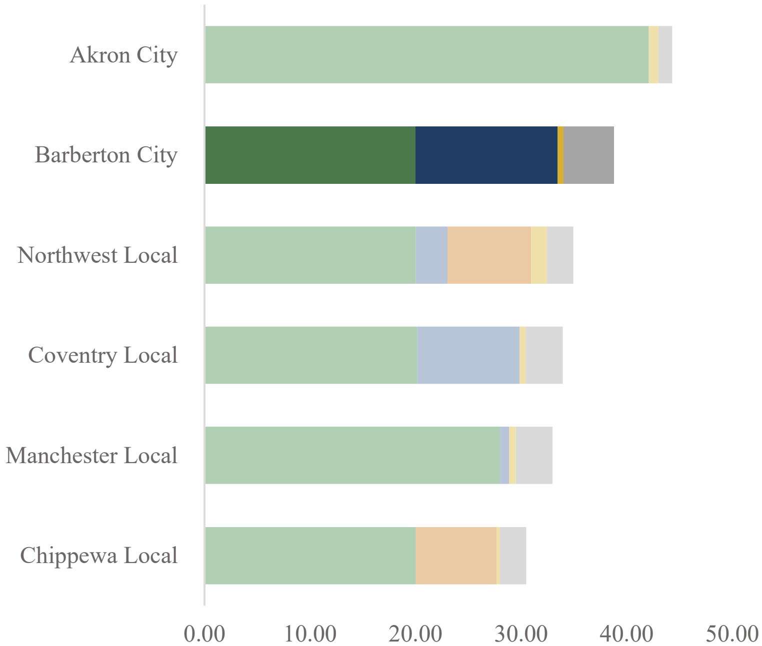
Function: 7000-7990

Local Revenue Comparisons

Since the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for BCSD to that of its local peers. This comparison is found in the chart below. The green portion of the bar represents the current expense millage rate. None of the local peers are at the 20-mill floor. Because the District is at the 20-mill floor, it will see continued growth from current expense mills as property value increases.[50]

[50] As previously noted, this will be impacted by HB 129, which changes the calculation of the 20-mill floor to include substitute and emergency levies after a county property valuation reappraisal or triennial update. In addition, the growth will be limited due to caps placed in HB 186 using the GDP deflator over the three preceding tax years.

2025 Millage and Millage Equivalents | Local Peers



The composition of levies impacts district revenues. **Current Expense mills**, used for general operations are subject to reduction factors up to the 20-mill threshold. **Emergency and substitute mills** raise a defined amount of general operating revenue and are not reduced. **Income tax mill equivalents** are calculated by OPT for comparison purposes based on guidance from the Department of Taxation. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

Source: Ohio Department of Taxation

The District's effective millage rate is among the highest in comparison to the local peer districts. In Tax Year 2025, one mill of property tax generated approximately $178 in revenue per pupil, falling below the local peer average of approximately $297 by 66.8 percent.

The following tables show the income tax revenue for primary peer districts and local peer districts. Five primary peers and two local peers collect revenue from an income tax.

2025 Income Tax Revenue and Millage Equivalents | Primary Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Fremont City	1.25%	$11,149,855.09	11.94
Piqua City	1.25%	$9,459,981.75	13.42
Defiance City	0.50%	$2,443,091.93	6.56
Fairborn City	0.50%	$6,534,282.73	6.54
Xenia Community City	0.50%	$5,972,436.59	5.56
Austintown Local Schools	0.00%	-	0.00
Barberton City	0.00%	-	0.00
Steubenville City	0.00%	-	0.00
Tecumseh Local	0.00%	-	0.00

Source: Ohio Department of Taxation

2025 Income Tax Revenue and Millage Equivalents | Local Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Chippewa Local	1.00%	$2,807,122.84	7.66
Northwest Local	1.00%	$4,121,672.24	7.93
Akron City	0.00%	-	0.00
Barberton City	0.00%	-	0.00
Coventry Local	0.00%	-	0.00
Manchester Local	0.00%	-	0.00

Source: Ohio Department of Taxation

The following tables show the local tax effort (LTE) comparison between BCSD and the primary peer districts and the local peer districts. ODEW uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and is calculated in the context of the residents' abilities to pay by determining the relative position of each school district in the state in terms of the portion of residents' income devoted to supporting public education. This index uses median income data and provides context to better understand a community's tax burden, not only compared to other districts, but also as a function of the residents' ability to pay.

On this sliding scale, a value of 1.0 indicates the state average, a baseline against which all districts in the state are weighed. If a district has a local tax effort below 1.0, residents provide a smaller portion of their available income to public education whereas a value above 1.0 indicates the community pays a larger portion of their available income to public education compared to the state average. Districts are ranked from 1 to 606 with 1 being the highest level of effort and the 99th percentile and 606 being the lowest level of effort and the 1st percentile.

2025 Local Tax Effort Comparison | Primary Peers

District	LTE	Rank	Percentile
Fremont City	1.4169	92	84.8%
Xenia Community City	1.3942	99	83.7%
Piqua City	1.3799	103	83.0%
Barberton City	1.3508	111	81.7%
Fairborn City	1.0897	231	61.9%
Defiance City	1.0595	249	58.9%
Tecumseh Local	0.8578	391	35.5%
Austintown Local Schools	0.6965	521	14.0%
Steubenville City	0.6309	547	9.7%
Primary Peer Average	**1.0657**	**245**	**59.6%**

Source: ODEW

2025 Local Tax Effort Comparison | Local Peers

District	LTE	Rank	Percentile
Akron City	1.5644	47	92.2%
Barberton City	1.3508	111	81.7%
Coventry Local	1.3063	132	78.2%
Northwest Local	1.2276	164	72.9%
Chippewa Local	1.1064	227	62.5%
Manchester Local	0.9939	285	53.0%
Local Peer Average	**1.2397**	**160**	**73.6%**

Source: ODEW

Appendix C: Enrollment

Where a student lives, where they enroll and attend school, how much instruction is received, and how much funding is generated are all measures or factors related to enrollment, or how a student is counted. The following list summarizes descriptions of enrollment terms used in this report.

Enrollment Definition Key

	Description
Place of Enrollment	Where the students living in the District's boundaries attend school.
Open Enrollment-In	Students who reside in another district's boundaries attending the District via open enrollment.
Open Enrollment-Out	Students living within the District's boundaries but attending another public school via open enrollment policies.
Student FTE	Reflects how much instructional time a student received compared to a full-time student.
Headcount	Count of students enrolled at the District at a single point in time. Each student counts as 1.0 student.
Average Daily Membership (ADM)	This is the average enrollment over time and serves as the basis for which a district is funded.
Regular Student ADM	Regular student enrollment which is used for calculation minimum teaching staffing ratios.

Source: ODEW

Each of the terms above have expanded definitions on subsequent pages and explanations of how they relate to information in this report. Where relevant, a historical analysis is provided to show trends.

Place of Enrollment

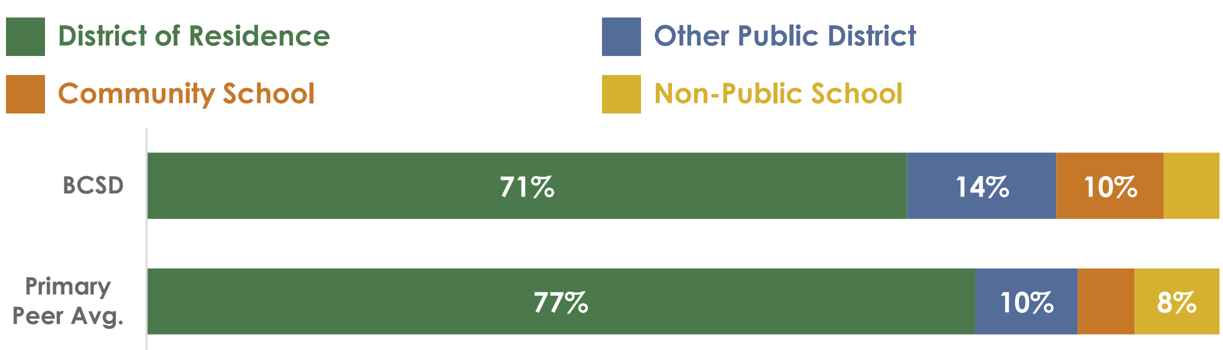
Students and their families have choices regarding where to attend school. Because of this, not all resident students attend the district where they live. The visuals on this page show where students living in BCSD are attending schools.[51] It should be noted that the visuals do not include students who choose to attend private schools and do not receive state assistance or students who are homeschooled.

AY 2025 Place of Enrollment

	Enrollment
District of Residence	2,679
Other Public District	525
Community School	376
Non-Public School via EdChoice or Other Program	197
Total	**3,777**

Source: ODEW

AY 2025 Place of Enrollment as % of Total



Source: ODEW

As seen above, approximately 71 percent of students residing in the District's boundaries choose to attend BCSD, compared to the primary peer average of 77 percent. This means that

[51] If applicable, non-public school includes students participating in the EdChoice or EdChoice Expansion Scholarship Programs, the Cleveland Scholarship Program, the Ohio Autism Scholarship Program, or the Jon Petersen Special Needs Scholarship Program.

the District experiences a higher percentage of students who choose to attend another district.[52] BCSD offers open enrollment to non-resident students.

Open Enrollment

Interdistrict open enrollment is one of several school choice options. Interdistrict open enrollment allows the resident students of a district to enroll in another district by following that district's open enrollment policies and procedures. Students who enroll under an open enrollment policy must be allowed to attend tuition free. State funding, which is calculated on a per-pupil basis, is awarded to the district where a student is educated. For districts that are funded on a formula basis, offering open enrollment can incrementally increase the state funding. Local funding is collected based on voted property and income taxes. There is no state law that provides for local funding to follow a student to the district of enrollment, which means local funding remains in the district of collection regardless of student open enrollment choices. Open enrollment is dependent on individual districts' policies and available capacity. A district may offer no open enrollment, open enrollment from adjacent districts only, or open enrollment from any district.

Open Enrollment In: These are students living in another public district who attend BCSD through open enrollment policies. In AY 2026, the District had a policy to accept open enrollment from any district, which brought 119 students to the District via open enrollment.

Open Enrollment Out: These are students who live in the District's boundaries but choose to attend another public school through open enrollment policies. In AY 2025, the District had 324 students living within its boundaries that chose to attend another public district through open enrollment.

FTE Enrollment

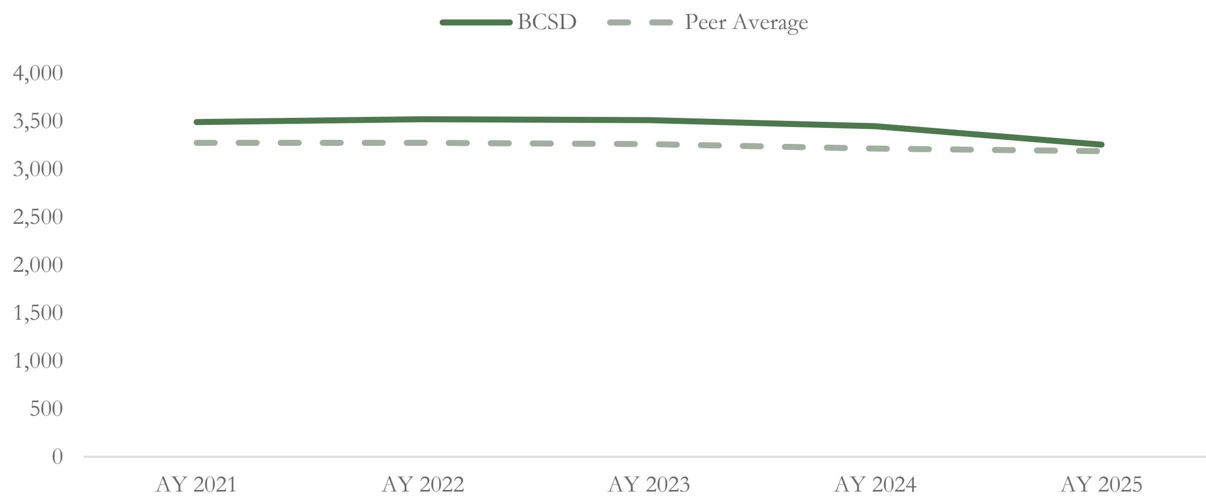
This enrollment metric proportionately reflects how much instructional time a student receives compared to a full-time student. A student who attends the District full-time would count as 1.0 FTE. A student attending the District half-time, for half day kindergarten for example, would count as 0.5 FTE.

Within our report, PK-12 FTE enrollment is used for our revenue per pupil and expenditures per pupil analyses (see **Per Pupil Analysis**). FTE enrollment, with preschool students and staff excluded, is also used in our standard staffing analysis (see **Recommendation 5, Recommendation 6** and **Appendix E**). For all staffing analyses, K-12 FTE enrollment is used.

[52] Community schools, nonpublic schools, or another public district that accepts students through open enrollment.

The following chart shows a five-year history of the District's FTE enrollment.

AY 2021 to AY 2025 FTE Enrollment 5-year History



Source: ODEW

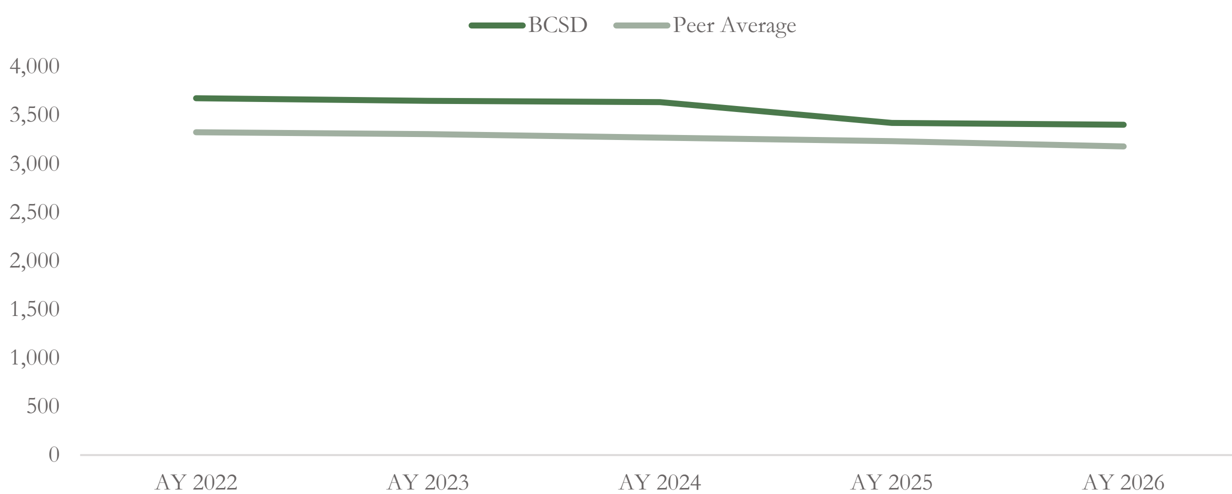
From AY 2021 to AY 2025, the District's FTE enrollment decreased by 6.8 percent, or approximately 237.0 FTEs. This is a greater decrease than the primary peer average, which decreased by 2.6 percent, or approximately 86.0 FTEs.

Headcount

This enrollment metric is a simple count of students enrolled in a district at a single point in time. Each student counts as one, regardless of how much instructional time is received. This metric helps to not only understand staffing needs, but also provides insight into understanding a district's building capacity needs.

The following chart shows a five-year history of the District's headcount enrollment.

AY 2022 to AY 2026 Heacount 5-year History



Source: ODEW

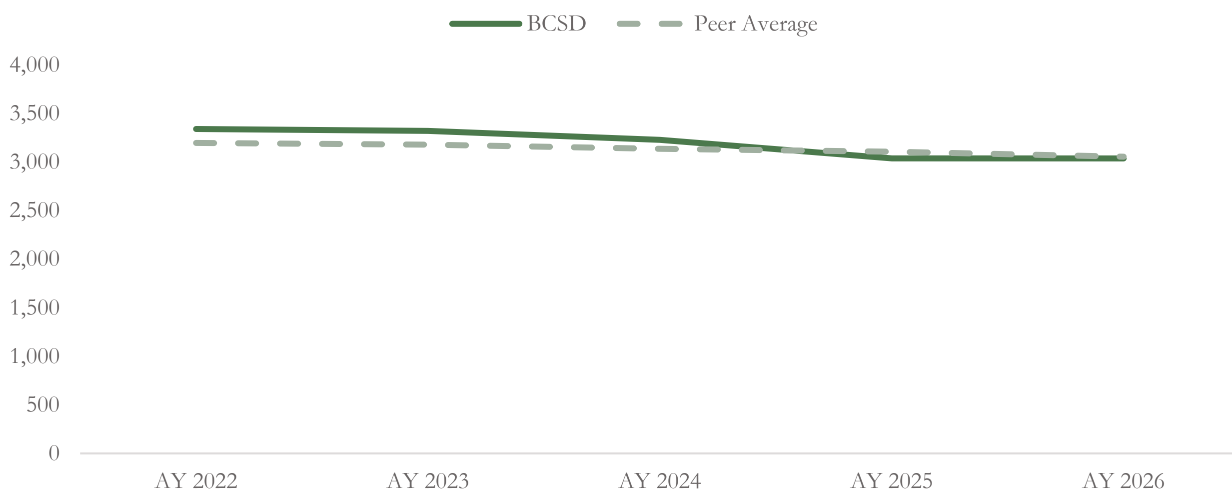
From AY 2022 to AY 2026, the District's headcount enrollment decreased by 7.4 percent, or approximately 273 students. This is a greater decrease than the primary peer average, which decreased by 4.3 percent, or approximately 146.13 students.

Enrolled Average Daily Membership (Enrolled ADM)

Enrolled ADM is the average number of students enrolled at a district during a school year and serves as the basis for state funding calculations. For example, a student enrolled for an entire year counts as 1.0, but a student who enrolls halfway through the year counts as 0.5.

The following chart shows a five-year history of ADM at the District. ADM trends are important to understand due to its impact on funding, which is done on a per pupil basis (see **State Funding**).

AY 2022 to AY 2026 ADM 5-year History



Source: ODEW

From AY 2022 to AY 2026, the District's enrolled ADM decreased by 9.1 percent, or approximately 302.50 students. This is a greater decrease than the primary peer average, which decreased by 4.4 percent, or approximately 141.60 students.

Regular Student ADM

According to OAC 3301-35-05, the minimum staffing requirement for Ohio public schools is a ratio of at least one full-time equivalent (FTE) classroom teacher for every 25 students (often expressed as 25-to-1) on a district-wide basis. In consultation with ODEW, the student number used for calculating this ratio is the Regular Student ADM, which consists of:

$$\begin{aligned}&\boldsymbol{Regular\ Student\ ADM}\\&\quad = Enrolled\ ADM - (SpecEd\ ADM\ Categories\ 2\ through\ 6)\\&\quad - (Jointure\ \times 0.2) - Non\text{-}Jointure - (Contract\ Vocational\ \times 1.2)\end{aligned}$$

Regular Student ADM data was provided by ODEW for use in calculating the minimum teaching staffing requirements discussed in the **Additional Recommendations** section of the report. The calculations used for determining additional recommendations are based on FTEs and enrollment from a specific point in time. If additional teaching staff reductions become necessary, the District should use updated and current data to ensure the appropriate number of reductions are implemented. The District should consult with ODEW when nearing or achieving state minimum staffing to ensure compliance with OAC minimum staffing requirements.

Appendix D: Financial Management

Forecasting Best Practices

The following tables show the comparison of the District's forecasting practices to industry standards and best practices. The District's forecasting process does not meet all components recommended by the GFOA and ODEW.

GFOA Forecasting Best Practices

DEFINE ASSUMPTIONS

Meets	Forecast has a timeline
Meets	District is transparent as to whether the forecast is conservative in estimating revenues/expenditures
Meets	District is aware of political/legal issues that could affect forecast
Meets	District knows major revenue/expenditure categories

GATHER INFORMATION

Meets	District uses statistical data in forecasting
Meets	Uses accumulated judgment and expertise of individuals inside and perhaps also outside the organization
Partially Meets	Become familiar with other longer-term planning efforts of the organization that impact financial decisions and the fiscal environment.

PRELIMINARY/EXPLORATORY ANALYSIS

Meets	Understands how revenues/expenditures vary with economical activity
Meets	Understands effects of demographic trends
Meets	Outliers are identified and explained
Meets	Relationships between different variables are identified and explained

SELECT METHODS

Meets	Determine the quantitative and/or qualitative forecasting methods that will be used

IMPLEMENT METHODS

Meets	Put into practice described forecasting methods

USE FORECAST

Meets	Forecaster has credibility
Meets	Forecast is presented with a clear message
Partially Meets	Forecast plays a key role in budgeting and financial decisions

ODEW Best Practices

Doesn't Meet	Proactive management of revenues/expenditures
Meets	Board policy to achieve and maintain 60 days of expenditures in cash balance
Partially Meets	Report and discuss expenditures vs revenues monthly
Meets	Participate in a program that promotes best budgeting practices for school districts

Source: ODEW and BCSD

Days Cash on Hand Historical Projections

The following table illustrates the District's projected number of days cash on hand at the end of the academic year ranging from the November 2021 forecast to the February 2026 forecast.

Historical Projected Days Cash on Hand

	AY 22	AY 23	AY 24	AY 25	AY 26	AY 27	AY 28	AY 29
Nov '21	176	154	118	59	(6)			
May '22	162	133	94	35	(30)			
Nov '22		155	127	84	34	(21)		
May '23		143	118	74	22	(36)		
Nov '23			135	112	88	52	5	
May '24			124	97	64	22	(27)	
Nov '24				95	47	0	(52)	(110)
May '25				94	48	6	(38)	(88)
Oct '25					17	(41)	(100)	(165)
Feb '26					14	(26)	(72)	(127)

Source: ODEW

Beginning in the November 2021 forecast, BCSD has projected cash days on hand falling below the required 60 day minimum established by board policy in at least two of the forecast years. In the November 2024 forecast, the District reported days cash on hand below the board policy minimum in four of the five forecast years, which then progressed to the entire forecast period beginning in the October 2025 forecast. Generally, the District demonstrated that given its deficit spending and decreasing ending fund balances, it has been aware of pending noncompliance with its cash balance policy. Any amount of less than 60 days cash on hand is in violation of the board policy.

Appendix E: Human Resources

Staffing Comparison Tables

The following tables illustrate the District's employee FTEs compared to calculated benchmark FTEs. These tables show a point in time during the course of the audit and are not meant to represent the current state of staffing at BCSD or the peer districts. Staffing levels at both BCSD and the peer districts may have changed during the audit due to a variety of operational decisions. Where appropriate and possible, our audit took changes into account.

The enrollment benchmark FTEs represents the FTEs the District would need to align with the *primary peer average FTEs per-1,000 student ratio*. Normalizing data on a per-1,000 student basis, as seen in the calculation below, allows for a more precise comparison between districts when student counts differ. This primary comparison is shown in each of the following staffing comparison tables.

$$\text{Enrollment Benchmark FTEs} = \textit{Peer Avg. FTE per } 1{,}000 \textit{ Students} * \left(\frac{\textit{Client Enrollment}}{1{,}000}\right)$$

The building benchmark FTEs represents the FTEs the District would need to align with the *primary peer average FTEs per building ratio*. Normalizing data on a per-building basis, as seen in the calculation below, allows for a more precise comparison between districts when building counts differ. This secondary comparison is shown in select staffing comparison tables.

$$\text{Building Benchmark FTEs} = \textit{Peer Avg. FTE per Building} * \textit{District Building Count}$$

Central Office Administrator Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant, Deputy/Associate Superintendent	1.00	0.94	0.06
Supervisor/Manager	3.00	3.66	(0.66)
Coordinator	0.47	3.15	(2.68)
Director	4.00	2.32	1.68
Other Official/Administrative	3.00	0.84	2.16
Total	**11.47**	**10.91**	**0.56**

Source: BCSD and ODEW

Building Administrator Staff Comparison (per 1,000 students)

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant Principal	7.00	5.66	1.34
Principal	4.00	5.45	(1.45)
Dean of Students	-	0.13	(0.13)
Total	**11.00**	**11.24**	**(0.24)**

Source: BCSD and ODEW

Building Administrator Staff Comparison (per building)

Position	BCSD FTEs	Building Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant Principal	7.00	4.64	2.36
Principal	4.00	4.04	(0.04)
Dean of Students	-	0.08	(0.08)
Total	**11.00**	**8.76**	**2.24**

Source: BCSD and ODEW

Teaching Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
General Education K-12	141.00	154.40	(13.40)
Gifted and Talented	3.50	0.89	2.61
Art Education K-8	4.00	3.56	0.44
Physical Education K-8	4.00	3.77	0.23
Music Education K-8	4.00	5.52	(1.52)
Career-Technical Programs/Career Pathways	10.00	3.82	6.18
EL Instructional Program	-	0.31	(0.31)
Total	**166.50**	**172.26**	**(5.76)**

Source: BCSD and ODEW

In the following table, BCSD exceeds the peer benchmarks for the following positions: counseling by .57 FTEs, remedial specialist by 1.55 FTEs, tutor/small group instructor by 3.54 FTEs, and other professional – educational by 1.12 FTEs. During the course of the audit, the District approved the reduction of 2.0 FTE counseling positions, 1.0 FTE remedial specialist positions, and 1.0 FTE tutor/small group instructor positions. In accounting for the reductions, the District could still eliminate another 0.5 FTE remedial specialist, 2.5 FTE tutor/small group instructor and 1.0 FTE other professional-educational positions, bringing the District more in line with the peer average benchmarks (see **Recommendation 6)**.

Non-Teaching Educational Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Curriculum Specialist	1.00	1.43	(0.43)
Counseling	9.00	8.43	0.57
Remedial Specialist	5.00	3.45	1.55
Tutor/Small Group Instructor	7.00	3.46	3.54
Audio-Visual Staff	-	0.32	(0.32)
Teacher Mentor/Evaluator	-	0.10	(0.10)
Other Professional-Educational	4.00	2.88	1.12

Source: BCSD and ODEW

Professional Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Psychologist	-	1.86	(1.86)
Social Work	-	0.72	(0.72)
Other Professional	-	1.22	(1.22)

Source: BCSD and ODEW

Technical Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Computer Operating	1.00	0.90	0.10
Other Technical	-	1.45	(1.45)
Total	**1.00**	**2.35**	**(1.35)**

Source: BCSD and ODEW

In the table below, BCSD exceeds the peer benchmark by 5.03 FTEs. During the course of the audit, the District approved the reduction of 1.0 FTE central office support positions. In accounting for the reduction, the District could eliminate another 4.0 FTEs to bring staffing more in line with the peer average benchmark (see **Recommendation 5).**

Central Office Support Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Accounting	-	0.67	(0.67)
Bookkeeping	-	1.90	(1.90)
Clerical	**13.00**	4.92	8.08
Other Office/Clerical	-	0.48	(0.48)
Total	**13.00**	**7.97**	**5.03**

Source: BCSD and ODEW

As seen in the following table, BCSD exceeds the peer enrollment benchmark by 3.35 FTE building office support staff positions. During the course of the audit, the District approved the reduction of 4.0 FTEs, bringing the District below the peer average benchmark.

Building Office Support Staff Comparison (per 1,000 students)

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Bookkeeping	-	0.32	(0.32)
Clerical	17.00	12.44	4.56
Other Office/Clerical	-	0.89	(0.89)
Total	**17.00**	**13.65**	**3.35**

Source: BCSD and ODEW

Building Office Support Staff Comparison (per building)

Position	BCSD FTEs	Building Benchmark FTEs	FTEs Above/(Below) Benchmark
Bookkeeping	-	0.18	(0.18)
Clerical	17.00	10.17	6.83
Other Office/Clerical	-	0.54	(0.54)
Total	**17.00**	**10.89**	**6.11**

Source: BCSD and ODEW

Library Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Librarian/Media	1.00	0.83	0.17
Library Aide	-	2.57	(2.57)
Total	**1.00**	**3.39**	**(2.39)**

Source: BCSD and ODEW

Nursing Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Registered Nursing	3.00	3.45	(0.45)
Practical Nursing	-	0.99	(0.99)
Total	**3.00**	**4.44**	**(1.44)**

Source: BCSD and ODEW

In the table below, BCSD exceeds the peer enrollment benchmark by 26.23 FTE classroom support staff positions. During the course of the audit, the District approved the reduction of

19.0 FTEs. In accounting for the reductions, the District could eliminate another 7.0 FTEs to bring staffing more in line with the peer average (see **Recommendation 6**).

Classroom Support Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Instructional Paraprofessional	-	9.66	(9.66)
Teaching Aide	37.00	1.11	35.89
Total	**37.00**	**10.77**	**26.23**

Source: BCSD and ODEW

Other Clerical Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Parent Mentor	-	0.14	(0.14)
Family and Community Liaison	-	0.22	(0.22)
Total	**-**	**0.36**	**(0.36)**

Source: BCSD and ODEW

Extracurricular/Intracurricular Activities Staff Comparison

Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Coaching	-	0.12	(0.12)
Athletic Trainer	-	0.16	(0.16)
Other Extra/Intra-Curricular Activities	-	0.16	(0.16)
Total	**-**	**0.44**	**(0.44)**

Source: BCSD and ODEW

Other Support Staff Comparison

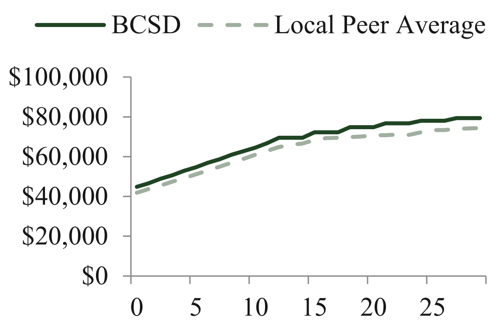
Position	BCSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Attendance Officer	-	0.39	(0.39)
Monitoring	-	3.11	(3.11)
Other Service Worker/Laborer	-	0.28	(0.28)

Source: BCSD and ODEW

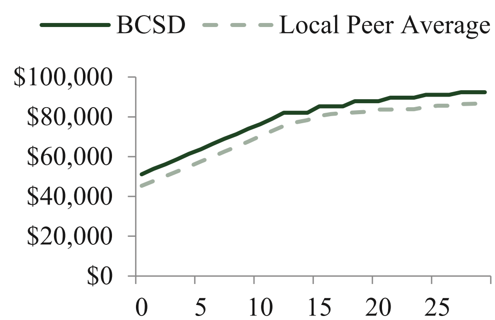
We also looked at annual salaries for select certificated employees and the hourly wage rates for various classified employee positions over the course of a career, as seen in the following charts.

Certificated Career Compensation

Bachelors



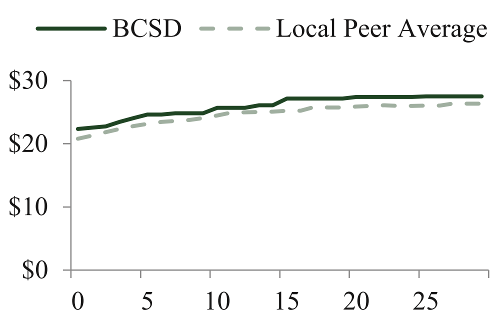
Master's



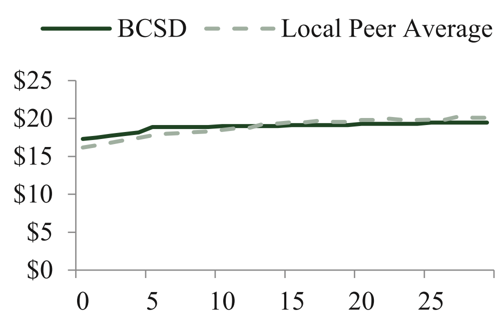
Source: BCSD, Local Peers, and SERB

Classified Career Compensation

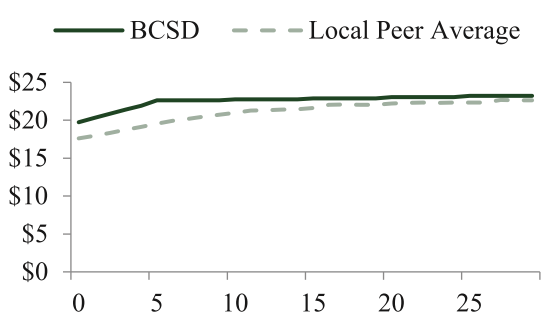
Bus Driver



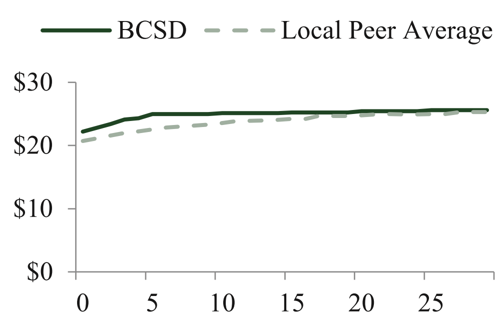
Cook



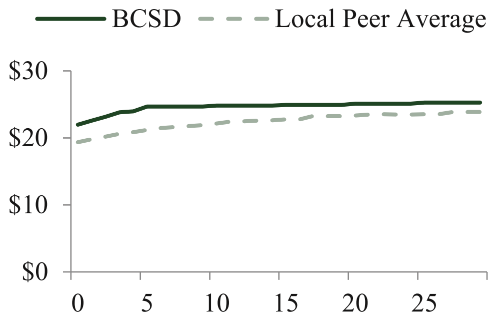
Secretary



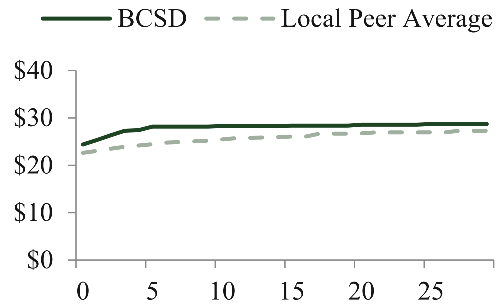
Head Building Custodian



Custodian



Maintenance



Source: BCSD, Local Peers, and SERB

Appendix F: Facilities

The National Center for Education Statistics (NCES) identifies levels of cleaning benchmarks that can be used to guide facilities staffing. According to the Planning Guide for Maintaining School Facilities (NCES, 2003), Level 3 cleaning is the standard for most school facilities. When adhering to a Level 3 standard of cleaning, a custodian can clean approximately 28,000 to 31,000 square feet in 8 hours. Using this standard, BCSD exceeds the custodial staffing benchmark by 1.3 FTEs.

American School & University Magazine (AS&U) identifies square footage and acreage maintenance benchmarks for maintenance and grounds staffing. According to AS&U, each 1.0 FTE maintenance employee should be responsible for maintaining approximately 95,000 square feet, and each 1.0 FTE grounds employee should be responsible for maintaining approximately 40.2 acres. Using these standards, BCSD exceeds the maintenance staffing benchmark by 0.6 FTEs and exceeds the grounds staffing benchmark by 0.5 FTEs.

The following table provides a comparison of the District's facilities staffing to industry benchmarks.

Buildings & Grounds Staffing Comparison

Grounds Staffing	
Grounds FTEs	2.6
Acreage Maintained	85.0
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	2.1
Grounds FTEs Above/(Below) Benchmark	**0.5**
Custodial Staffing	
Custodial FTEs	22.0
Square Footage Cleaned	609,263
NCES Level 3 Cleaning Benchmark [1] - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	20.7
Custodial FTEs Above/(Below) Benchmark	**1.3**
Maintenance Staffing	
Maintenance FTEs	7.0
Square Footage Maintained	609,263
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	6.4
Maintenance FTEs Above/(Below) Benchmark	**0.6**

Total Buildings & Grounds Staffing

Total FTEs Employed	31.6
Total Benchmarked Staffing Need	29.2
Total FTEs Above/(Below) Benchmark	**2.4**

Source: BCSD, AS&U, and NCES

[1] According to NCES, Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose any health issues.

During the course of the audit, the District submitted a written financial recovery plan to ODEW, which included the reduction of 2.0 FTE facilities staff, effective AY 2027. Accounting for this reduction, the District is more in line with industry benchmarks.

Note: The District identified 3.0 FTE additional facilities staff reductions following the release of the March 2026 forecast. The reductions were implemented by not filling open positions resulting from attrition.

In addition to staffing, we reviewed the District's use of non-regular labor including temporary labor and overtime expenditures. We found that BCSD spent more on facilities non-regular labor as a percent of total facilities expenditures compared to the primary peer average.

AY 2025 Non-Regular Wages as a Percent of Total

Barberton CSD	Primary Peer Average	Difference
13.7%	9.3%	4.4%

Source: BCSD and Local Peers

However, during the course of the audit, the District took steps to reduce non-regular labor expenditures and no additional savings were identified.

OHIO AUDITOR OF STATE
KEITH FABER

BARBERTON CITY SCHOOL DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 7/28/2026

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