

MAY 2023 5 YEAR FORECAST UPDATE

FY2023 THRU FY2027

Brecksville-Broadview Heights City School District

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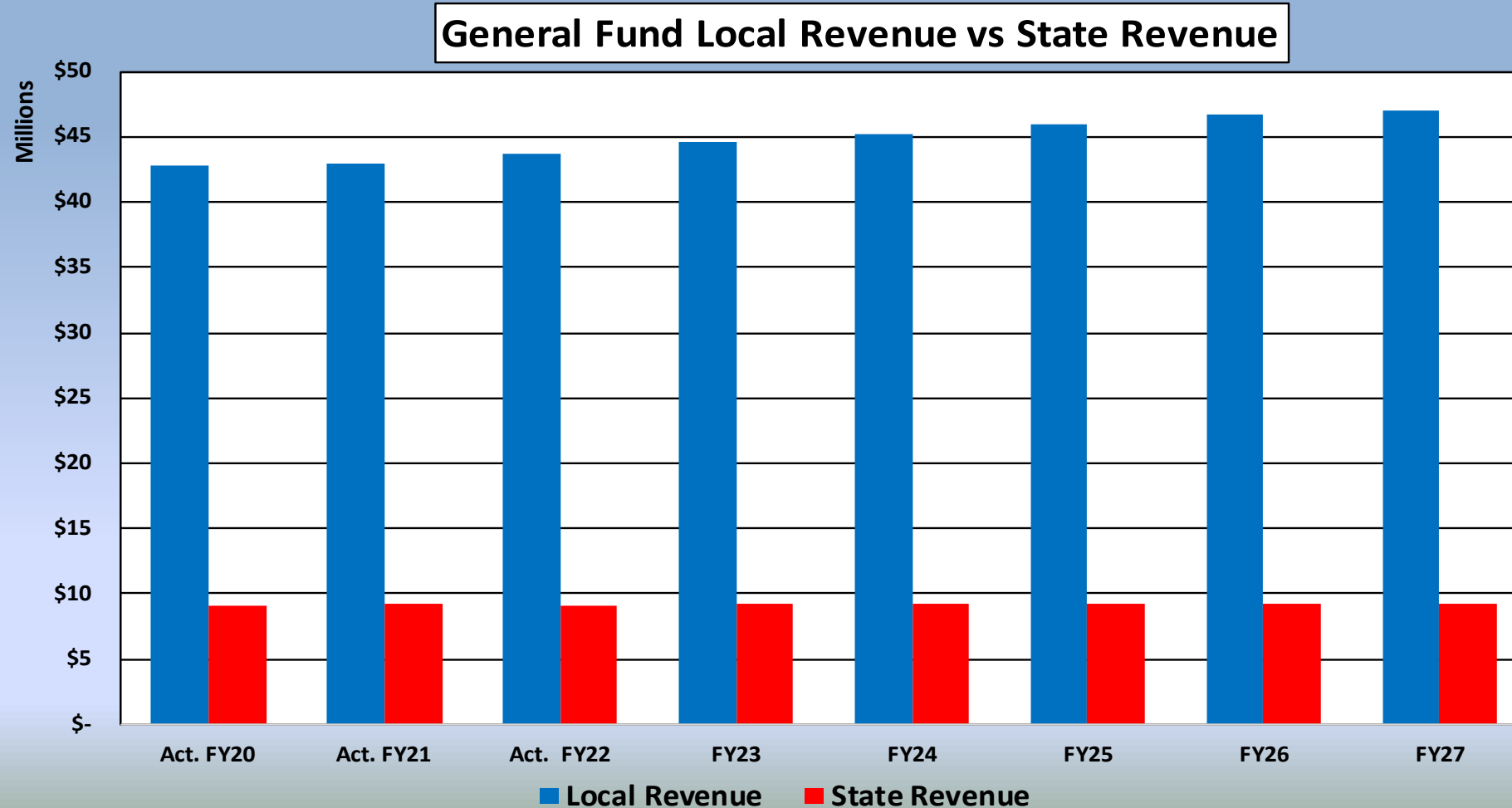
WHAT IS A FORECAST?

A forecast is a snapshot at a specific point in time and based off the most current information available.

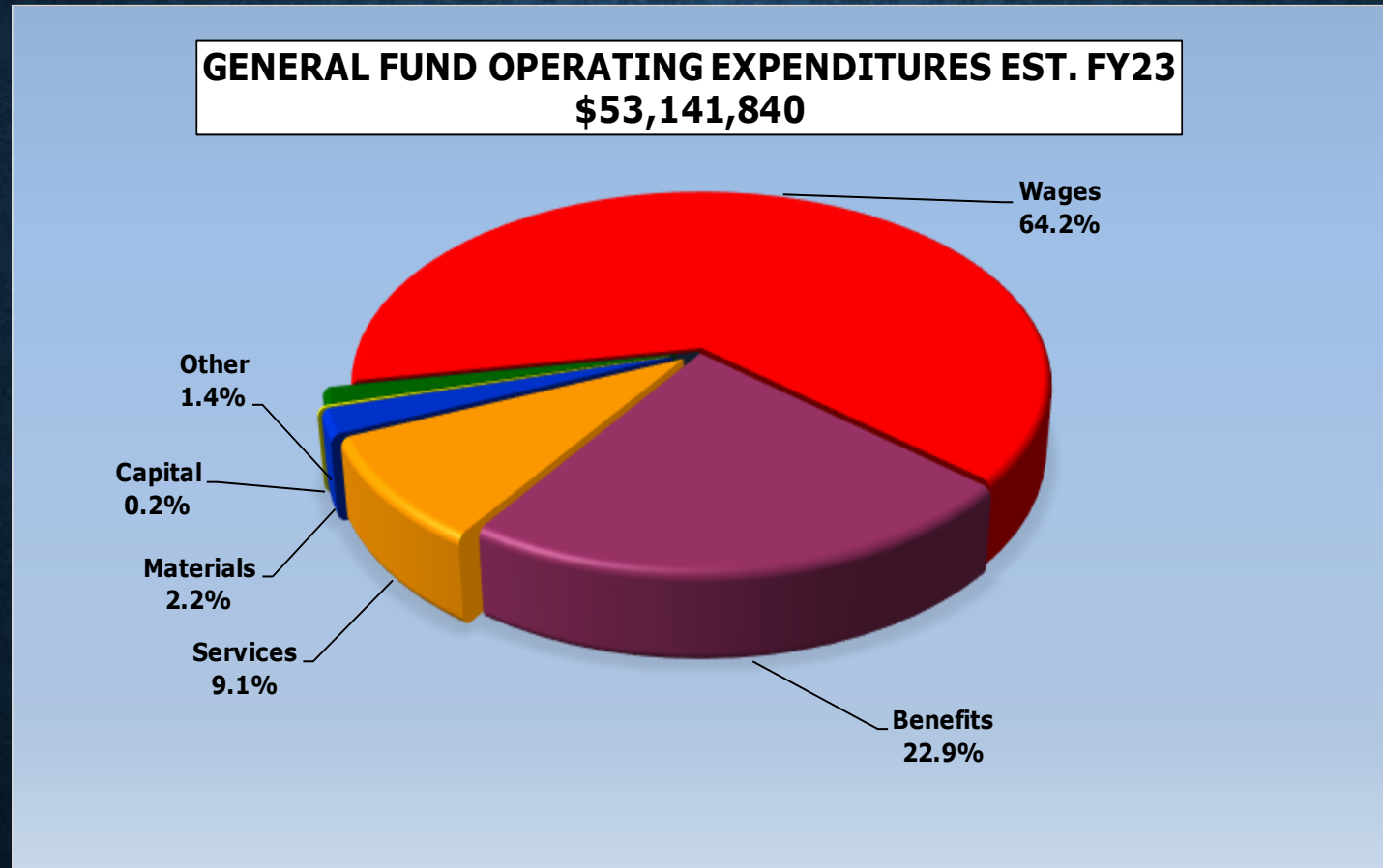
Disclaimers:

1. A forecast is a living document and can change within hours or days of publication.
2. Assumptions laid out in this presentation in no way represent a baseline for any current or future negotiations with CBAs.
3. BBHCSD continues to monitor its financial situation in what seems to be the post pandemic era – including the most current economic factors.
4. The forecast includes potential revenues regarding the Sherwin Williams/Valor Acres TIF – updated as of April 2023.

THE STATE OF OHIO IS NOT AN EQUAL PARTNER IN FUNDING!



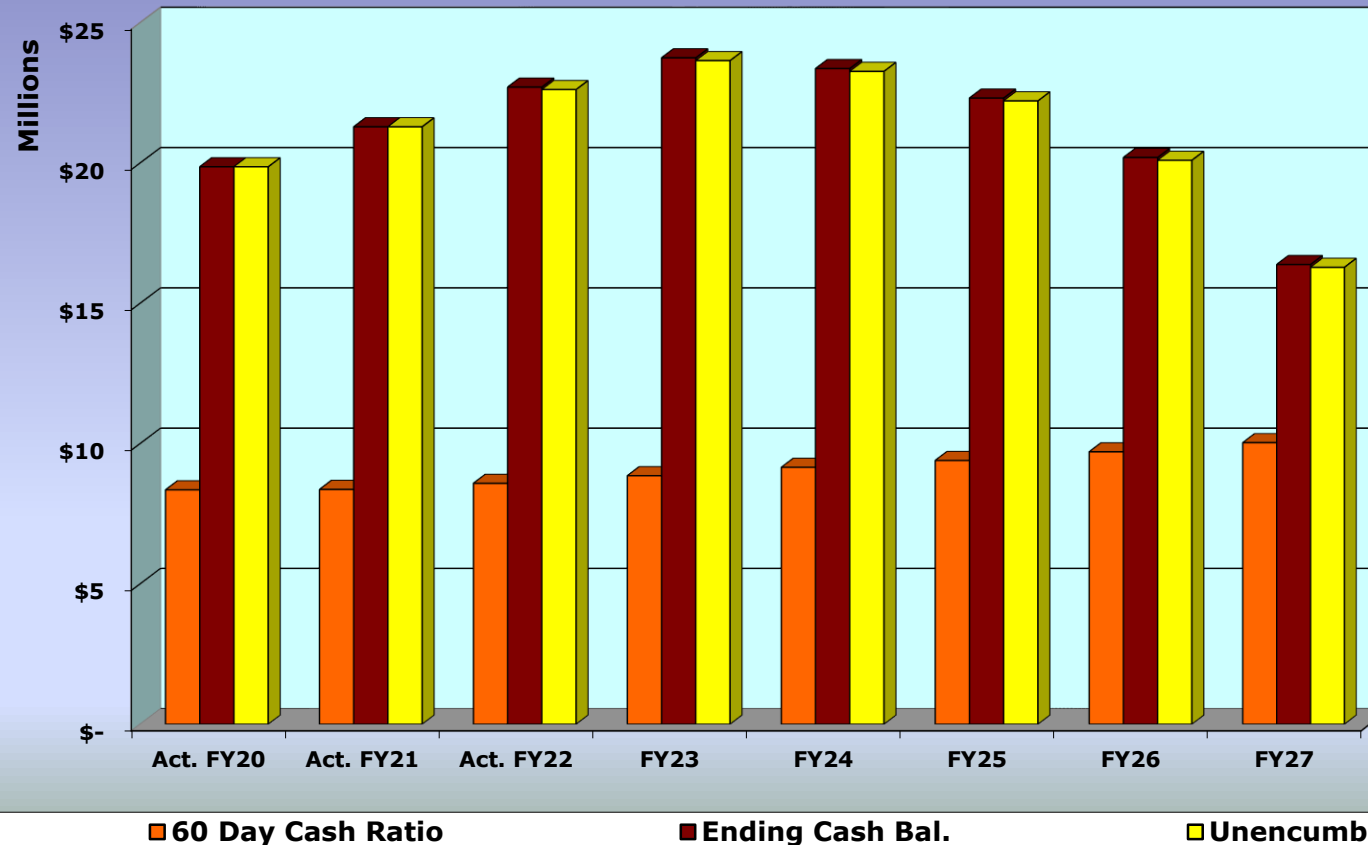
EST. GENERAL FUND EXPENDITURES FY23



- Wages and benefits estimated at 87.1%.
- This is a decrease of .4% from the November Forecast

ENDING CASH BALANCE

General Fund Ending Cash Balance



- 60 Day Cash Balance is a state recommended minimum. At 60 days of cash, the district will struggle during certain times of the year to make on-time payments with vendors (November thru February).
- FY23 is projected to be at 162 (up 4 days from Nov) days of cash, while FY27 is projected to be at 99 (up 11 days from Nov).

KIS STATEMENT

What changed?

- Finishing FY23 a little stronger than anticipated
- Forced to build in higher healthcare costs.
- FY27 has a larger deficit now.

		Actual			Forecasted				
		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
		2020	2021	2022	2023	2024	2025	2026	2027
2.08	Total Revenues	52,824,524	52,262,181	53,012,606	53,925,226	54,487,628	55,205,841	55,978,781	56,328,208
5.05	Total Expenditures	50,432,787	50,837,045	51,599,271	53,454,468	55,447,969	56,822,222	58,391,348	60,040,334
6.01	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	2,391,737	1,425,136	1,413,335	470,759	(960,341)	(1,616,381)	(2,412,567)	(3,712,126)
7.01	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	17,475,491	19,867,228	21,292,364	22,705,699	23,176,458	22,216,117	20,599,736	18,187,169
7.02	Cash Balance June 30	19,867,228	21,292,364	22,705,699	23,176,458	22,216,117	20,599,736	18,187,169	14,475,043
	Reservations	0	0	87,403	87,403	87,403	87,403	87,403	87,403
11.30	Cumulative Balance of Renewal Levies	0	0	0	0	0	0	0	0
15.01	Unreserved Fund Balance June 30	19,867,228	21,292,364	22,618,296	23,089,055	22,128,714	20,512,333	18,099,766	14,387,640

		Actual			Forecasted				
		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
		2020	2021	2022	2023	2024	2025	2026	2027
2.08	Total Revenues	52,824,524	52,262,181	53,012,606	54,396,561	54,606,943	55,408,266	56,190,017	56,445,706
5.05	Total Expenditures	50,432,787	50,837,045	51,599,271	53,351,840	54,990,031	56,459,945	58,307,525	60,260,405
6.01	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	2,391,737	1,425,136	1,413,335	1,044,722	(383,088)	(1,051,679)	(2,117,508)	(3,814,699)
7.01	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	17,475,491	19,867,228	21,292,364	22,705,699	23,750,421	23,367,332	22,315,653	20,198,145
7.02	Cash Balance June 30	19,867,228	21,292,364	22,705,699	23,750,421	23,367,332	22,315,653	20,198,145	16,383,446
	Reservations	0	0	87,403	100,000	100,000	100,000	100,000	100,000
1.30	Cumulative Balance of Renewal Levies	0	0	0	0	0	0	0	0
5.01	Unreserved Fund Balance June 30	19,867,228	21,292,364	22,618,296	23,650,421	23,267,332	22,215,653	20,098,145	16,283,446

Estimated millage required to cover deficit = 2.67

GENERAL COMMENTS

- This year we have incurred additional staffing due to the enrollment at BBHES. This staffing is expected to remain throughout the forecast.
- We will continue to monitor HB126 implications. This has potential to reduce local revenues which could create the need for an operating levy sooner than anticipated. A report should be available later this year to give us real impact of this bill.
- TIF Estimates:

Payments In Lieu of Taxes (TIF)	0	16,139	376,685	810,909	947,676
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- BBH remains in a financially stable position overall, but that is due to our current cash balance. Deficit spending is on the horizon and that quickly compounds.

KEEPING A CAREFUL WATCH

- Potential Levy Cycle
 - As mentioned earlier, the deficit in 2027 would need at least a 2.7mill levy just to cover the operating deficit. Given the forecast, the Board should consider when to potentially place an operating levy on the ballot. At this time, the recommendation would be 2026. Again, many factors can change this timeline.
- Things that will affect this levy cycle estimate moving forward:
 - Inflation
 - State Funding – new budget bill coming by June 30.
 - More unfunded mandates such as dyslexia training, preschool regulations, etc.
 - Enrollment